

SWICK MINING SERVICES

ABN: 20 112 917 905

64 Great Eastern Highway
South Guildford WA 6055

PO Box 74 | Guildford WA 6935

T: +61 8 9277 8800

F: +61 8 9277 8844

W: www.swickmining.com**20 DECEMBER 2021****ASX ANNOUNCEMENT**

ASIC Registration of Scheme Booklet

Western Australia – Swick Mining Services Ltd (Swick, ASX: SWK), a leading provider of high-quality underground mineral drilling and mineral analysis services, refers to the announcement on 16 December 2021 regarding the proposed acquisition of Swick by DDH1 Limited (ASX:DDH) (**DDH1**) by scheme of arrangement, under which DDH1 will acquire all of the issued shares in Swick in consideration for the issue of 0.2970 fully paid ordinary shares in DDH1 for each Swick share (**Scheme**), and the orders made by the Supreme Court of Western Australia (**Court**) that Swick convene a general meeting of Swick shareholders to consider and, if thought fit, approve the Scheme (**Scheme Meeting**) and approving the distribution of an explanatory statement providing information about the Scheme and notice of Scheme Meeting (**Scheme Booklet**) to Swick shareholders.

The Scheme Meeting will be held on 17 January 2022 at 10.00am (AWST) at Aloft Perth, 27 Rowe Avenue, Rivervale, Western Australia 6103.

Scheme Booklet

Swick confirms that the Australian Securities and Investments Commission has today registered the Scheme Booklet. A copy of the Scheme Booklet is attached and will be made available online at Swick's announcement page at www.swickmining.com and on the ASX website at www.asx.com.au.

In accordance with the Court's orders and recent amendments to the *Corporations Act 2001* (Cth), Swick will not be dispatching physical copies of the Scheme Booklet, unless required. The Notice of Scheme Meeting is annexed to the Scheme Booklet at Annexure D. The Scheme Booklet will also be available for inspection at Swick's registered office (during normal business hours) being 64 Great Eastern Highway, South Guildford, WA 6055.

Further details on where the Scheme Booklet can be viewed and downloaded, as well as instructions on how to lodge the proxy form for the Scheme Meeting will be dispatched to Swick shareholders on Monday, 20 December 2021.

The Scheme Booklet should be read in its entirety before making a decision on whether or not to vote in favour of the Scheme.

Independent Expert's Conclusion and Directors' Recommendation

The Scheme Booklet includes an Independent Expert's Report from Grant Thornton Corporate Finance Pty Ltd (**Independent Expert**) which concludes that the Scheme is fair and reasonable and hence in the best interests of Swick shareholders, in the absence of a superior proposal emerging. The Independent Expert's conclusion should be read in context with the full Independent Expert's Report and the Scheme Booklet.

The Board of Swick have unanimously recommended that, in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Swick shareholders, Swick shareholders vote in favour of the Scheme.

Attending the Scheme Meeting

The Board of Swick have made the decision to hold a physical meeting only. The physical meeting will be held with the appropriate social distancing measures in place to comply with the Federal and State Governments' current restrictions for physical gatherings. Swick will strictly comply with applicable limitations on indoor gatherings in force. If you attend the Scheme Meeting in-person, you will be required to adhere to COVID-19 protocols in place at that time.

If the situation in relation to COVID-19 were to change in a way that affected the position of Swick to hold an in-person meeting, Swick will provide a further update ahead of the Scheme Meeting by releasing an announcement on Swick's website and on the ASX market announcements platform.

All registered Swick shareholders as at 4.00pm (AWST) on Saturday, 15 January 2022 will be entitled to vote at the Scheme Meeting. Registrable transfers or transmission applications received after this time will be disregarded in determining entitlements to vote at the Scheme Meeting.

If the requisite majorities of Swick shareholders approve the Scheme at the Scheme Meeting, and all other conditions precedent to the Scheme except approval of the Court are satisfied or waived (if capable of waiver), Swick will apply to the Court for orders approving the Scheme.

Further Information

Swick shareholders are encouraged to seek independent financial, legal, accounting, taxation and/or other professional advice before making any voting or investment decision in relation to their Swick shares. Swick also encourages shareholders to note the key events and indicative dates that are set out in the Scheme Booklet.

Swick shareholders with any questions in relation to the Scheme should contact the Company on +61 8 9277 8800.

-ends-

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 drilling services 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.

For further information:

Kent Swick
Managing Director
Ph: +61 8 9277 8800

Jitu Bhudia
Chief Financial Officer
Ph: +61 8 9277 8800

Media enquiries:

Elodie Castagna
FTI Consulting
Ph: +61 8 9321 8533

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.

SCHEME BOOKLET

for a scheme of arrangement in relation to the proposed acquisition of all of your fully paid ordinary shares in Swick Mining Services Limited (ACN 112 917 905) by DDH1 FinCo Pty Ltd (ACN 625 961 980), a wholly owned subsidiary of DDH1 Limited (ACN 636 677 088)

**YOUR DIRECTORS UNANIMOUSLY
RECOMMEND THAT YOU**

VOTE IN FAVOUR

of the Scheme, in the absence of a Superior Proposal, and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Swick Shareholders

This is an important document and requires your immediate attention.

You should read this document in its entirety before deciding whether or not to vote in favour of the Scheme. If you are in any doubt as to what you should do, you should consult your legal, financial or other professional adviser immediately.

Legal Advisor

HWL
EBSWORTH
LAWYERS

Financial Advisor

Shawand**Partners**
an **EFG** company

IMPORTANT INFORMATION

This Scheme Booklet contains important information

The purpose of this Scheme Booklet is to explain the terms of the Scheme, the manner in which the Scheme will be considered and implemented (subject to satisfaction or waiver of the Scheme Conditions), and to provide such information as is prescribed or otherwise material for Swick Shareholders when deciding whether or not to vote in favour of the Scheme. This document includes the explanatory statement required by section 412(1) of the Corporations Act in relation to the Scheme.

Accordingly, you should read this document in its entirety before making a decision on whether or not to vote in favour of the Scheme.

Investment decisions

This Scheme Booklet is for Swick Shareholders collectively and does not take into account an individual's investment objectives, financial situation, taxation position or other particular needs.

This Scheme Booklet should not be relied upon as the sole basis for any investment decision in relation to the Scheme, Swick Shares or New DDH1 Shares. If you are in any doubt about what you should do, you should seek independent legal, financial or other professional advice before making any investment decision in relation to the Scheme.

Responsibility for information

The Swick Information has been provided by Swick and is the responsibility of Swick. To the maximum extent permitted by law, none of DDH1 (or DDH1 FinCo), its Subsidiaries, nor any directors officers, employees or advisors of those entities will be responsible for any Swick Information and will disclaim any liability for Swick Information.

DDH1 Information has been provided by DDH1, and is the responsibility of DDH1 and DDH1 FinCo. To the maximum extent permitted by law, none of Swick, its Subsidiaries, nor any directors officers, employees or advisors of those entities will be responsible for any DDH1 Information and will disclaim any liability for DDH1 Information.

Grant Thornton has prepared the Independent Expert's Report set out in Annexure A of this Scheme Booklet and takes responsibility for that report. To the maximum extent permitted by law, none of Swick, DDH1, DDH1 FinCo, their Related Entities or the directors, officers, employees or advisors of any of those entities assumes any responsibility for the accuracy or completeness of the Independent Expert's Report and disclaim any liability in this regard.

Grant Thornton has prepared the Investigating Accountant's Report set out in Annexure G of this Scheme Booklet and takes responsibility for that report. To the maximum extent permitted by law, none of Swick, DDH1, DDH1 FinCo, their Related Entities or the directors, officers, employees or advisors of any of those entities assumes any responsibility for the accuracy or completeness of the Investigating Accountant's Report and disclaim any liability in this regard.

Role of ASIC, ASX, and the Court

A copy of this Scheme Booklet has been examined by ASIC pursuant to section 411(2)(b) of the Corporations Act and lodged with, and registered by, ASIC under section 412(6) of the Corporations Act. Swick has requested ASIC provides statements, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides those statements, they will be produced to the Court on the Second Court Date.

A copy of this Scheme Booklet has been lodged with the ASX.

Neither ASIC, ASX nor any of their officers takes any responsibility for the contents of this Scheme Booklet.

The Court is not responsible for the contents of this Scheme Booklet and, the fact that under section 411(1) of the Corporations Act the Court ordered on 16 December 2021 that a meeting of Swick Shareholders be convened by Swick to consider and vote on the Scheme and has approved the Scheme Booklet does not mean that the Court:

- (a) has formed any view as to the merits of the proposed Scheme or as to how Swick Shareholders should vote (on this matter, Swick Shareholders must reach their own decision); and
- (b) has prepared, or is responsible for, the content of this Scheme Booklet.

Forward-looking statements

This Scheme Booklet contains both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. The statements contained in this Scheme Booklet about the advantages and disadvantages expected to result from the Scheme are forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Swick, DDH1, and/or the Combined Group to be materially different from future results, performance or achievements expressed or implied by such statements. Further, the forward-looking statements in this Scheme Booklet relating to the performance of the Combined Group are not based on historical facts, but rather reflect the current views and expectations of Swick and DDH1 concerning future events and circumstances.

IMPORTANT INFORMATION

The operations and financial performance of Swick, DDH1, and the Combined Group, and the change of a Swick Shareholder's ownership of Swick Shares and New DDH1 Shares are subject to various risks that are summarised in section 9 of this Scheme Booklet and that may be beyond the control of Swick, DDH1, and the Combined Group.

As a result, Swick's actual results of operations and earnings and those of DDH1 and the Combined Group following implementation of the Scheme, as well as the actual advantages and disadvantages of the Scheme, may differ significantly from those that are anticipated in respect of timing, amount or nature and may never be achieved.

The forward-looking statements included in this Scheme Booklet reflect views only as of the date of this Scheme Booklet. None of Swick, DDH1, their Related Entities or their respective directors, officers, employees or advisors or any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Scheme Booklet will actually occur, and you are cautioned not to place undue reliance on such forward-looking statements.

All written and oral forward-looking statements attributable to Swick or DDH1 or any person acting on their behalf are qualified by this cautionary statement. Subject to any continuing obligations under the ASX Listing Rules or the Corporations Act, neither Swick nor DDH1 give any undertaking to update or revise any such statements after the date of this Scheme Booklet to reflect any change in expectations in relation thereto or any change in events, conditions or circumstances on which any such statement is based.

New Zealand Shareholders

This Scheme Booklet is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand Regulatory Authority under or in accordance with the Financial Markets Conduct Act 2013 (or any other relevant New Zealand law). In offering New DDH1 Shares under the Scheme in New Zealand, DDH1 is relying on an exemption contained in the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 and accordingly, this Scheme Booklet may not contain all the information that a disclosure document is required to contain under New Zealand law. New Zealand investors should seek their own advice and satisfy themselves as to the Australian and New Zealand tax implications of participating in the Scheme.

Ineligible Overseas Shareholders

This Scheme Booklet has been prepared having regard to Australian disclosure requirements. Other countries may have different legislative and regulatory requirements.

Neither this Scheme Booklet nor the Scheme proposal constitute, or are intended to constitute, an offer of securities in any place in which or to any person to whom, the making of such an offer would not be lawful under the laws of any jurisdiction outside Australia and its external territories and New Zealand. Swick Shareholders who are not residents of Australia and its external territories or New Zealand should refer to sections 5.7 and 5.8 for further information.

Foreign jurisdictions

The release, publication or distribution of this Scheme Booklet 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 this Scheme Booklet 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.

This Scheme Booklet has been prepared in accordance with the laws of Australia and the information contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with the laws and regulations of a jurisdiction outside of Australia.

Tax Implications of the Scheme

If the Scheme becomes Effective, there will be tax consequences for Scheme Shareholders which may include tax being payable on any gain or disposal of Swick Shares. For further details regarding general Australian tax implications of the Scheme, refer to section 10 of this Scheme Booklet. The tax treatment may vary depending on the nature and characteristics of each Swick Shareholder and their specific circumstances. Accordingly, Swick Shareholders should seek professional tax advice in relation to their particular circumstances.

Privacy and personal information

Swick and DDH1 will need to collect personal information to implement the Scheme. This information may include the name, contact details and details of security holdings of Swick Shareholders, together with the contact details of individuals appointed to act as proxy, attorney or corporate representative by a Swick Shareholder at the meeting of Swick Shareholders to approve the Scheme (**Scheme Meeting**). The primary purpose for collecting this personal information is to assist Swick and DDH1 to conduct the Scheme Meeting and implement the Scheme. The collection of some of this information is authorised by the Corporations Act.

IMPORTANT INFORMATION

Swick Shareholders who are individuals, and other individuals in respect of whom personal information is collected, have certain rights to access the personal information collected about them and may contact Swick's share registry (Automatic Group) or DDH1's share registry (Computershare Investor Services) if they wish to exercise those rights.

The information may be disclosed to print and mail service providers and to Swick, DDH1, DDH1 FinCo and their respective advisers and agents to the extent necessary to effect the Scheme. If the information outlined above is not collected, Swick may be hindered in, or prevented from, conducting the Scheme Meeting effectively or at all.

Swick Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Scheme Meeting should inform that individual of the matters outlined above. Persons are entitled under section 173 of the Corporations Act to inspect and copy the Swick Share Register. The Swick Share Register contains personal information about Swick Shareholders.

External websites

Unless expressly stated otherwise, the content of the websites of Swick and DDH1 do not form part of this Scheme Booklet and Swick Shareholders should not rely on any such content.

Defined terms

Capitalised terms and certain other terms used in this Scheme Booklet are defined in the Glossary in section 14 of this Scheme Booklet.

The Independent Expert's Report set out in Annexure A has its own defined terms and those terms are sometimes different to the defined terms in the Glossary.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding (unless otherwise stated). Accordingly, the actual calculation of these figures may differ from the calculations set out in this Scheme Booklet and any discrepancies in any table between totals and sums of amounts listed in that table or to previously published figures are due to rounding.

Fractional entitlements

If, pursuant to the Scheme, a Scheme Shareholder becomes entitled to a fraction of a New DDH1 Share, the number of New DDH1 Shares issued (or, in the case of Ineligible Overseas Shareholders, the number of New DDH1 Shares the Sale Agent will receive for sale on their behalf) will be rounded up or down, with any such fractional entitlement of less than 0.5 being rounded down to the nearest whole New DDH1 Share and any such fractional entitlement of 0.5 or more being rounded up to the nearest whole New DDH1 Share.

Accordingly, Scheme Shareholders entitled to less than 0.5 of a New DDH1 Share will be rounded down to nil New DDH1 Shares. To avoid receiving nil New DDH1 Shares in such circumstances, those Scheme Shareholders are urged to consider purchasing additional Swick Shares prior to the Record Date. Alternatively, those Scheme Shareholders may wish to sell their Swick Shares prior to the Record Date in order to receive value for their Swick Shares.

Diagrams, charts, maps, graphs and tables

Any charts, maps, graphs and tables appearing in this Scheme Booklet are illustrative only and may not be drawn to scale.

Currency

All references in this Scheme Booklet to "\$", "AUD" or "dollar" are references to Australian currency unless otherwise indicated.

Implied value

All references in this Scheme Booklet to the value or implied value of Scheme Consideration should not be taken as an indication that Scheme Shareholders will receive cash. The implied value of the Scheme Consideration is not fixed. Scheme Shareholders (other than Ineligible Overseas Shareholders) will receive New DDH1 Shares as consideration for their Swick Shares under the Scheme. Consequently, the implied value of the Scheme Consideration will depend on the price at which DDH1 Shares trade on the ASX after issue of the New DDH1 Shares under the Scheme. There can be no guarantee of that price. This also applies to Ineligible Overseas Shareholders whose Scheme Consideration will be remitted to the Sale Agent through the Sale Facility. Any cash remitted to Ineligible Overseas Shareholders under the Scheme will depend on the market price of DDH1 Shares at the time of sale by the Sale Agent. Please refer to section 9 for a non-exhaustive list of potential risk factors in relation to the Scheme (including potential risk factors relevant to the Combined Group).

References to time

All references in this document to time relate to the time in Perth, Western Australia, unless otherwise specified. All times and dates relating to the implementation of the Scheme referred to in this Scheme Booklet may change and, among other things, are subject to all necessary approvals from government agencies.

Date of this document

This document is dated 17 December 2021.

IMPORTANT DATES AND TIMES FOR THE SCHEME

Key events and the expected timing in relation to the approval and implementation of the Scheme are set out below.

Latest time and date for lodgement of completed proxy forms for the Scheme Meeting	10.00am (AWST time) on Saturday, 15 January 2022
Time and date for determining eligibility of Swick Shareholders to attend and vote at the Scheme Meeting	4.00pm (AWST time) on Saturday, 15 January 2022
Scheme Meeting to be held at Aloft Perth at 27 Rowe Avenue, Rivervale, WA 6103	10.00am (AWST time) on Monday, 17 January 2022
Second Court Date for approval of the Scheme	Monday, 7 February 2022
Effective date of the Scheme and last day of trading of Swick Shares on ASX (Effective Date)	5.00pm (AWST time) on Monday, 7 February 2022
Suspension of trading of Swick Shares on ASX	Close of trading on Monday, 7 February 2022
Record date for determining entitlements to the Scheme Consideration (Record Date)	5.00pm (AWST time) on Wednesday, 9 February 2022
Implementation date for the issue of Scheme Consideration to Swick Shareholders (Implementation Date) ¹	Wednesday, 16 February 2022
Termination of official quotation of Swick Shares on ASX	5.00pm (AWST time) on Wednesday, 16 February 2022 (or as otherwise determined by ASX)

The above dates and times are indicative only and, amongst other things, are subject to the time at which each Scheme Condition is satisfied or waived and the dates on which all necessary Court and regulatory approvals are obtained. Swick has the right to vary any or all of these dates and times, subject to the approval of such variation by the ASX, the Court and DDH1, where required.

Any variation to the above dates and times will be announced to the ASX (and accordingly, details of any variations will be available on the ASX's website at www.asx.com.au) and will be published on Swick's website at www.swickmining.com.

¹ Other than Ineligible Overseas Shareholders, who will receive the Net Sale Proceeds following implementation of the Scheme. See sections 5.7 and 5.8 for further information.

KEY REASONS TO VOTE FOR AND AGAINST THE SCHEME

Reasons to vote in favour of the Scheme

- ✓ The Swick Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Share Scheme is in the best interests of the Swick Shareholders
- ✓ The Scheme Consideration represents an attractive premium to the historical trading prices of Swick Shares
- ✓ The Scheme and Demerger will unlock immediate value for Swick Shareholders
- ✓ The combined Scheme Consideration and Demerger value represents a share price high compared to Swick Share trading over the past 10 Years
- ✓ The Independent Expert has concluded that, in the absence of a Superior Proposal emerging, the Scheme is fair and reasonable, and hence in the best interests of Swick Shareholders
- ✓ The Scheme enables Swick Shareholders to retain an exposure to Swick and the enlarged DDH1 Group and to benefit from any synergies and capital market benefits that may emerge
- ✓ Since the announcement of the Scheme, no Superior Proposal has been received
- ✓ The Scheme is more favourable than other alternatives considered by the Swick Board
- ✓ If the Scheme does not proceed, and no Superior Proposal is received, the Swick Share price may fall in the near-term
- ✓ No brokerage or stamp duty will be payable by you for the transfer of your Swick Shares under the Scheme and Swick Shareholders who make a capital gain from the disposal of their Swick Shares should generally be eligible to choose CGT scrip-for-scrip roll-over relief

Reasons why you might decide to vote in favour of the Scheme are set out in more detail in section 1 of this Scheme Booklet.

Potential reasons to vote against the Scheme

- ✗ You may prefer to see Swick trade on an “ex-Orexplore” basis and to establish a new base level share price before considering corporate activity
- ✗ You may disagree with the conclusion of the Independent Expert and the recommendation of your Swick Directors
- ✗ You may have concerns on the value of the DDH1 Share price given its limited trading history
- ✗ The exposure of Swick Shareholders to Swick’s operations (predominantly underground drilling) is diluted in the Combined Group
- ✗ You may consider that there is the potential for a Superior Proposal to emerge for Swick in the foreseeable future
- ✗ The exact value of the Scheme Consideration upon implementation of the Scheme is not certain
- ✗ The tax consequences of the Scheme may not suit your current financial position

Reasons why you might decide not to vote in favour of the Scheme are set out in more detail in section 2 of this Scheme Booklet.

CONTENTS

Letter from the Chairman of Swick Mining Services Limited	1
Overview of this document	3
Meeting details and how to vote	4
1. Key reasons to vote in favour of the Scheme	7
2. Reasons why you may choose to vote against the Scheme	15
3. Implications if the Scheme is not implemented	17
4. Frequently asked questions	18
5. Overview of the Scheme	27
6. Profile of Swick	33
7. Profile of DDH1	46
8. Overview of the Combined Group	66
9. Potential risk factors	83
10. Australian tax implications	95
11. Implementing the Scheme	99
12. Key terms of the Scheme Implementation Agreement	107
13. Additional information	112
14. Glossary of defined terms	120
Annexure A – Independent Expert’s Report	128
Annexure B - Scheme of Arrangement	223
Annexure C - Deed Poll	240
Annexure D - Notice of Scheme Meeting	253
Annexure E - Scheme Implementation Agreement	262
Annexure F - Letter of Variation Deed	358
Annexure G - Investigating Accountant’s Report	366

LETTER FROM THE CHAIRMAN OF SWICK MINING SERVICES LIMITED

Dear Swick Shareholder,

On behalf of the Swick Board, I am pleased to present you with this Scheme Booklet, which contains information about the proposed acquisition of Swick Mining Services Limited (**Swick**) by DDH1 FinCo Pty Ltd (**DDH1 FinCo**), a wholly owned Subsidiary of DDH1 Limited (**DDH1**).

On 22 October 2021, Swick announced that it had entered into a Scheme Implementation Agreement with DDH1 under which DDH1 proposes to acquire all of the fully paid ordinary shares in Swick through a scheme of arrangement (**Scheme**). If the Scheme is approved, Swick Shares will be exchanged by DDH1 at a ratio of 0.2970 New DDH1 Shares for every 1 Swick Share held and result in existing Swick Shareholders² having an interest in the Combined Group of approximately 19.7%.

At the announcement date, the Scheme valued Swick at an enterprise value of \$115m and an equity value of \$99.3m, implying a value per Swick Share of \$0.35. In addition, Swick Shareholders will also receive Oreplore Shares under the proposed demerger of Oreplore.

The combination of Swick and DDH1 will combine two drilling companies with complementary drilling services and expertise, with long established successful track records working with a wide range of exploration and mining companies. The combination of the two WA-based businesses will create a global scale mineral drilling business with a balance of surface (~60%) and underground (~40%) drilling from a combined fleet of over 170 rigs which generated approximately \$445m in revenue and \$103m in EBITDA in FY21. By receiving shares in DDH1, Swick Shareholders will have an ongoing exposure to the Combined Group.

Your Directors believe that the Scheme is in the best interests of Swick Shareholders and unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Swick Shareholders.

The key reasons for your Directors' recommendation of the Scheme are set out in section 1 of this Scheme Booklet, but are summarised as follows:

- + the Scheme Consideration represents an attractive premium to the historical trading prices of Swick Shares;
- + the Scheme and Demerger will unlock immediate value for Swick Shareholders;
- + the combined Scheme Consideration and Demerger value represents a share price high compared to Swick Share trading over the past 10 years;
- + the Independent Expert has concluded that, in the absence of a Superior Proposal emerging, the Scheme is fair and reasonable, and hence in the best interests of Swick Shareholders;
- + the Scheme enables Swick Shareholders to retain an exposure to Swick and the enlarged DDH1 Group and to benefit from any synergies and capital market benefits that may emerge;
- + since the announcement of the Scheme, no Superior Proposal has been received;
- + the Scheme is more favourable than other alternatives considered by the Swick Board;
- + if the Scheme does not proceed, and no Superior Proposal emerges, the Swick Share price may fall in the near-term; and
- + no brokerage or stamp duty will be payable by you for the transfer of your Swick Shares under the Scheme and Swick Shareholders who make a capital gain from the disposal of their Swick Shares should generally be eligible to choose CGT scrip-for-scrip roll-over relief.

As notified to the ASX, Swick intends to implement a demerger of the Oreplore Business which also will be transferred to a newly incorporated wholly owned Subsidiary company, Oreplore, which will, in turn, seek admission to the official list of ASX (**Demerger**). Swick entered into a binding Demerger Agreement with Oreplore in relation to the proposed Demerger on 12 November 2021. The Demerger will be conducted by way of an in-specie distribution under which each Swick Shareholder (other than Ineligible Overseas Shareholders) will receive 1 fully paid ordinary share in Oreplore (**New Oreplore Shares**) for every 3³ Swick Shares held on the Demerger Record Date. Oreplore is also undertaking a priority offer at an issue price of \$0.25 per Oreplore Share, which is equivalent to \$0.083 per Swick Share (on the basis that eligible Swick Shareholders are to receive one Oreplore Share for every three Swick Shares held at the Demerger Record Date). Swick Shareholders will be provided with updates regarding the Demerger on the ASX announcements platform, and each Swick Shareholder should review any announcements for status and developments regarding the Demerger.

2 Only Scheme Shareholders who are not Ineligible Overseas Shareholders will receive New DDH1 Shares under the terms of the Scheme. See sections 5.7 and 5.8.

3 Only Swick Shareholders who are not Ineligible Overseas Shareholders will receive New Oreplore Shares pursuant to the Demerger. Ineligible Overseas Shareholders on the Demerger Record Date will have their in-specie shares sold through a share sale facility and the net proceeds remitted to Ineligible Overseas Shareholders on a pro rata basis.

LETTER FROM THE CHAIRMAN OF SWICK MINING SERVICES LIMITED

It is a condition of the Scheme that Swick Shareholders must approve the Demerger which will be sought at the Demerger Meeting to be held at Aloft Perth at 27 Rowe Avenue, Rivervale, WA 6103 on Wednesday, 22 December 2021 at 10.00am (AWST time). Further information regarding the Demerger is set out in the Notice of Demerger Meeting dispatched to Swick Shareholders on 22 November 2021 and announced on ASX on 23 November 2021 (as amended by the addendum to the notice of demerger meeting dated 6 December 2021 and announced on ASX on 7 December 2021). It is important to note that if the Demerger is not approved by Swick Shareholders, the Scheme will not proceed unless DDH1 waives the Scheme Condition.

Each Swick Director intends to vote the Swick Shares that they own or control at the time of the Scheme Meeting in favour of the Scheme Resolution, and will direct any Swick proxies placed at their discretion in favour of the Scheme. Each Swick Director also intends to vote any Swick Shares that they own or control at the time of the Demerger Meeting in favour of the Demerger Resolutions. The Independent Expert has concluded that the Scheme is fair and reasonable, and therefore in the best interests of Swick Shareholders in the absence of a Superior Proposal emerging. The full Independent Expert's Report is set out in Annexure A.

While your Directors consider that there is a compelling rationale for the Scheme, you should note that there are some possible disadvantages and risks relating to the Scheme which are set out in sections 2 and 9 of this Scheme Booklet. I encourage you to read this Scheme Booklet (including the Independent Expert's Report) carefully in full and, if required, to seek your own legal, financial or other professional advice.

The Scheme Meeting to approve the Scheme will be held at Aloft Perth at 27 Rowe Avenue, Rivervale, WA 6103 on Monday, 17 January 2022 at 10.00am (AWST time).

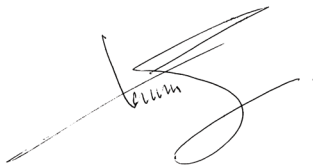
Swick Shareholders who have elected to receive communications electronically will receive an email where they can download the Scheme Booklet and lodge their proxy vote online. The Scheme Booklet will also be available for download from www.swickmining.com.

Your vote is important. I strongly encourage you to vote either by attending the Scheme Meeting in person or by completing and returning the accompanying proxy form so that they are received at the address shown on each proxy form by no later than 10.00am (AWST time) on Saturday, 15 January 2022.

If you wish for the Scheme to proceed, it is important that you vote in favour of the Scheme.

If you require any further information or have questions in relation to the Scheme, please contact Mr Frank Campagna (Company Secretary) on +61 8 9277 8800 Monday to Friday between 9.00am and 5.00pm (AWST time), or visit www.swickmining.com.

Yours sincerely,



Mr Andrew Simpson

Chairman and Non-Executive Director
Swick Mining Services Limited

OVERVIEW OF THIS DOCUMENT

What is the proposal?

DDH1 has made a proposal to acquire all of the Swick Shares by way of the Scheme.

DDH1 and Swick have agreed to implement the Scheme proposal under a procedure set out in the Corporations Act called a scheme of arrangement. This is a Court-supervised process under which Swick Shareholders have the opportunity to vote for or against the proposed Scheme, and if the Scheme is approved by the Court the Scheme becomes binding on Swick and the Swick Shareholders.

In conjunction with the Scheme, Swick intends to implement the Demerger of the Orexplore Business which will be transferred to a newly incorporated wholly owned Subsidiary company, Orexplore. If the Demerger is implemented, Swick Shareholders (other than Ineligible Overseas Shareholders) will receive 1 New Orexplore Share for every 3 Swick Shares they hold on the Demerger Record Date.

This Scheme Booklet primarily relates to the Scheme. The Notice of Demerger Meeting dispatched to Swick Shareholders on 22 November 2021 and announced on ASX on 23 November 2021 (as amended by the addendum to the notice of demerger meeting dated 6 December 2021 and announced on ASX on 7 December 2021) sets out further information regarding the proposed Demerger. As noted above, a Condition of the Scheme is that Swick Shareholders approve the Demerger at the Demerger Meeting which will be held at Aloft Perth at 27 Rowe Avenue, Rivervale, WA 6103 on Wednesday, 22 December 2021 at 10.00am (AWST time). Note however that the Demerger is not conditional on the Scheme being implemented.

If the Scheme is approved by Swick Shareholders and by the Court, subject to satisfaction or waiver of the Scheme Conditions:

- + DDH1 will acquire all of the Swick Shares in exchange for the Scheme Consideration (being 0.2970 New DDH1 Shares for every 1 Swick Share held on the Record Date), and Swick will become a wholly-owned Subsidiary of DDH1;
- + 934,303 Swick Performance Rights will convert into Swick Shares prior to the Record Date, so that Swick Shares issued on vesting of the Swick Performance Rights will be exchanged for New DDH1 Shares under the Scheme; and
- + 988,369 Swick Performance Rights held by Mr Kent Swick will be cancelled.

If the Scheme is not approved, the Merger will not proceed and Swick will continue to operate as a standalone entity listed on the ASX.

What is this document for?

The Scheme is subject to the approval of Swick Shareholders. This Scheme Booklet contains information relevant to the decision of Swick Shareholders as to whether to vote for or against the Scheme.

Why should you vote?

As a Swick Shareholder, you have a say in whether the Scheme is implemented or not – **this is your opportunity to play a role in deciding the future of the company in which you have a stake.**

Is the Scheme in the best interests of Swick Shareholders?

The Independent Expert has concluded that, in the absence of a Superior Proposal emerging, the Scheme is fair and reasonable and hence in the best interests of Swick Shareholders.

Swick Directors unanimously recommend that, in the absence of a Superior Proposal and on the basis that the Independent Expert maintains its opinion that the Scheme is fair and reasonable and therefore in the best interests of Swick Shareholders, Swick Shareholders vote in favour of the Scheme.

Before making a decision about the Scheme, Swick Shareholders should read this Scheme Booklet in its entirety and if you are in doubt about what action you should take, contact your professional adviser. For further details regarding the recommendation of the Swick Directors, please refer to section 1 of this Scheme Booklet.

OVERVIEW OF THIS DOCUMENT

What you should do next:

Step 1: Read this document in full

You should read and carefully consider the information included in this Scheme Booklet in full to help you make an informed decision as to how to vote in relation to the Scheme.

If you require any further information or have questions in relation to this document or the Scheme, please contact Mr Frank Campagna (Company Secretary) on +61 8 9277 8800 Monday to Friday between 9.00am and 5.00pm (AWST time), or visit www.swickmining.com.

If you have any doubt as to what action you should take, please contact your financial, legal, taxation or other professional adviser immediately.

Step 2: Vote on the Scheme

As a Swick Shareholder, it is your right to vote on whether the Scheme should be approved, and therefore, whether the Scheme should proceed. If you wish for the Scheme to proceed, it is important that you vote in favour of the Scheme at the Scheme Meeting.

The Scheme Meeting will be held at Aloft Perth at 27 Rowe Avenue, Rivervale, WA 6103 on Monday, 17 January 2022 at 10.00am (AWST time).

You can vote in person at the Scheme Meeting by returning validly completed proxy voting forms by no later than 10.00am (AWST time) on Saturday, 15 January 2022. Full details of how to vote are set out in pages 5 to 6 of this document.

For further information

If you have any questions after reading this document, please call Mr Frank Campagna (Company Secretary) on +61 8 9277 8800 Monday to Friday between 9.00am and 5.00pm (AWST time).

Meeting details and how to vote

Voting on Scheme

For the Scheme to be implemented, it is necessary that the Requisite Majority of Swick Shareholders vote in favour of the Scheme.

To pass the resolution approving the Scheme, votes in favour of the Scheme must be cast by:

- + a majority in number (more than 50%) of Swick Shareholders present and voting at the Scheme Meeting (either in person or by appointing a proxy, attorney or corporate representative to attend and vote at the Scheme Meeting on their behalf) (the Court has discretion to waive this requirement if it considers it appropriate to do so); and
- + at least 75% of the total number of votes cast on the Scheme Resolution by Swick Shareholders present and voting at the Scheme Meeting (either in person or by appointing a proxy, attorney or corporate representative to attend and vote at the Scheme Meeting on their behalf).

Voting at the Scheme Meeting will be by poll rather than by show of hands.

The Notice of Scheme Meeting is set out in Annexure D.

Entitlement to vote

If you are registered as a Swick Shareholder on the Swick Share Register as at **4.00pm (AWST time) on Saturday, 15 January 2022** you will be entitled to attend the Scheme Meeting and vote on the resolution to approve the Scheme. Registrable transfers or transmission applications received after this time will be disregarded in determining entitlements to vote at the Scheme Meeting.

DDH1 participation in Scheme Meeting

DDH1 does not hold any Swick Shares as registered holder and therefore will not participate in voting in relation to the Scheme Meeting.

OVERVIEW OF THIS DOCUMENT

How to vote

MEANS	VOTING INSTRUCTIONS
<p>In Person</p>	<p>If you wish to vote in person, you may attend the Scheme Meeting commencing at 10.00am (AWST time) on Monday, 17 January 2022 at Aloft Perth at 27 Rowe Avenue, Rivervale, WA 6103.</p> <p>All persons entitled to vote must register their attendance by disclosing their name at the point of entry to the Scheme Meeting.</p> <p>If the situation in relation to COVID-19 were to change in a way that affected the position of the Company to hold an in-person meeting, the Company will provide a further update ahead of the Scheme Meeting by releasing an announcement on the ASX market announcements platform.</p>
<p>By Proxy</p>	<p>You may vote by proxy by completing and returning the personalised proxy form that is provided with this Scheme Booklet.</p> <p>The completed and duly executed proxy form for the Scheme Meeting (and if the proxy form is executed by an attorney, a certified copy of the power of attorney) must be received by Automic Group (Swick's share registry) by no later than 10.00am (AWST time) on Saturday, 15 January 2022.</p> <p>A completed proxy form must be returned to Automic Group by posting it in the reply prepaid envelope provided (for use in Australia) or by delivering, emailing or faxing your proxy form to the address or fax number set out on page 6 of this Scheme Booklet.</p> <p>Swick Shareholders who have returned a proxy form may still attend the Scheme Meeting in person and revoke the proxy and vote at the Scheme Meeting.</p> <p>A proxy need not be a Swick Shareholder. A proxy may be an individual or a representative of a body corporate.</p> <p>If you are entitled to cast two or more votes, you may appoint two proxies. You may specify the percentage or the number of votes that each proxy is appointed to exercise. If a number or percentage of votes are not specified, each proxy may exercise half of the votes you are entitled to cast. Fractions of votes will be disregarded.</p>
<p>By Power of Attorney</p>	<p>Your vote may be cast by a duly authorised attorney. An attorney need not be a Swick Shareholder.</p> <p>Swick Shareholders intending to vote at the Scheme Meeting by providing a power of attorney should provide a certified copy of the power of attorney to Automic Group by no later than 10.00am (AWST time) on Saturday, 15 January 2022.</p> <p>The power of attorney must be delivered by posting it in the reply prepaid envelope provided (for use in Australia) or by delivering, emailing or faxing it to the address or fax number provided on page 6 of this Scheme Booklet.</p> <p>Alternatively, the attorney may bring a certified copy of the power of attorney to the Scheme Meeting.</p>
<p>By Corporate Representative</p>	<p>A Swick Shareholder that is a body corporate may appoint an individual to act as its representative at the Scheme Meeting.</p> <p>To vote by corporate representative at the Scheme Meeting, a corporate Swick Shareholder should obtain an "Appointment of Corporate Representative" form from Automic Group and complete that form in accordance with its instructions.</p> <p>Corporate representative appointment forms should be provided to Automic Group by no later than 10.00am (AWST time) on Saturday, 15 January 2022, or alternatively brought to the Scheme Meeting.</p>

OVERVIEW OF THIS DOCUMENT

Address for return of voting forms

Swick Shareholders should return their proxy forms, power of attorney forms to Automic Group (Swick's share registry) by either of the following:

By Mail: Automic
GPO Box 5193
Sydney NSW 2001

By Email: meetings@automicgroup.com.au

In Person: Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

Online: <https://investor.automic.com.au/#/loginsah>

By Fax: +61 2 8583 3040

Proxy forms, power of attorney forms and corporate representative forms must be received by **10.00am (AWST time)** on **Saturday, 15 January 2022**.

Questions about this Scheme Booklet

Swick Shareholders with any questions in relation to the Scheme or Demerger should call Mr Frank Campagna (Company Secretary) on +61 8 9277 8800 between 9.00am and 5.00pm (AWST time), Monday to Friday, or consult their legal, financial or other professional adviser.

1. KEY REASONS TO VOTE IN FAVOUR OF THE SCHEME

The Swick Directors unanimously recommend that Swick Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and provided that the Independent Expert continues to conclude that the Scheme is in the best interests of Swick Shareholders. In making this recommendation, the Swick Directors have considered the information contained in:

- + reasons to vote in favour of the Scheme (Section 1);
- + reasons you may choose to vote against the Scheme (Section 2);
- + risk factors and taxation implications (Sections 9 and 10); and
- + the Independent Expert's Report (Annexure A).

Swick Shareholders should seek professional advice on their individual circumstances, as appropriate.

This section sets out reasons why the Swick Directors believe the Scheme is in the best interests of Swick Shareholders. The Swick Directors have determined to unanimously recommend voting in favour of the Scheme, and each Swick Director intends to vote in favour of the Scheme for any shares in which they hold a Relevant Interest, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Swick Shareholders.

This section should be read in conjunction with sections 2, 3 and 9, which describe the disadvantages and risks associated with the Scheme, implications if the Scheme does not proceed and risk factors associated with an investment in New DDH1 Shares.

1.1 Unanimous Board Recommendation

The Swick Directors believe that the Scheme is in the best interests of Shareholders and unanimously recommend that Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Swick Shareholders. In arriving at their recommendation, the Swick Directors have considered the advantages and disadvantages of the Scheme set out in this section along with the conclusions of the Independent Expert.

The Swick Directors consider that the Scheme Consideration represents fair value for Swick and provides an attractive premium to the historic trading levels of Swick Shares. In addition, the Scheme Consideration, which is 100% DDH1 Shares, enables Swick Shareholders to retain an exposure to Swick and the enlarged DDH1 Group, and to benefit from potential synergies and potential capital markets benefits. Under the Scheme, Swick Shareholders will own c.19.7% of the DDH1 Group.

In the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Swick Shareholders, each of the Swick Directors intends to vote, or procure the voting of, any shares in which they have a Relevant Interest, in favour of the Scheme.

1. KEY REASONS TO VOTE IN FAVOUR OF THE SCHEME

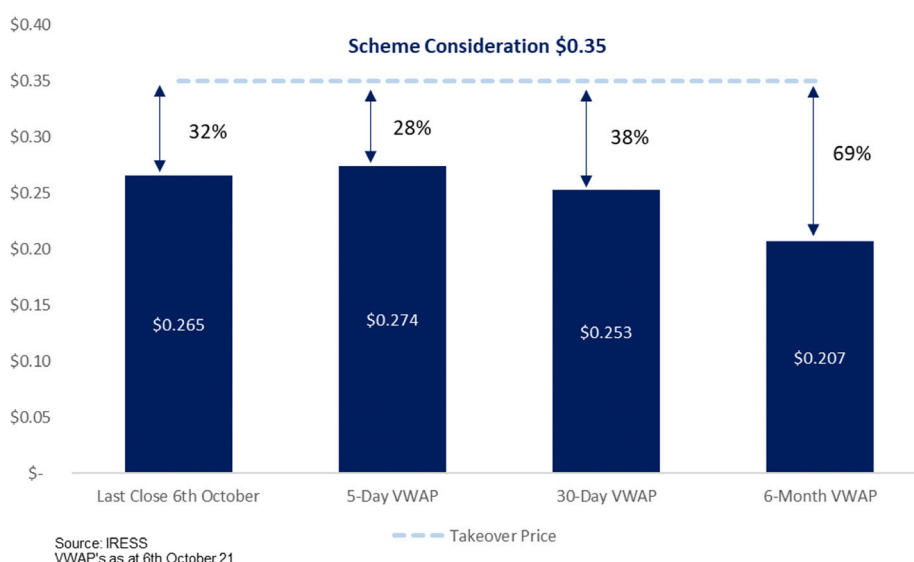
1.2 The Scheme Consideration represents an attractive premium to the historical trading prices of Swick Shares

Under the terms of the Scheme, Scheme Shareholders will receive 0.2970 New DDH1 Shares for each Scheme Share held on the Record Date. Based on the 5-day volume weighted average price for DDH1 Shares up to and including 6 October 2021 (being the last trading day prior to Swick and DDH1 agreeing valuation terms) of \$1.1793, the offer implies a value of Swick at \$0.35 per Swick Share and is after allowing for the additional \$12m investment in Orexplore committed by Swick as part of the Demerger. This equates to an equity value of \$99.3m and represents a takeover premium of:

- + 32% to Swick's closing price of \$0.265 on 6 October 2021, being the last trading day prior to Swick and DDH1 agreeing valuation terms;
- + 28% to Swick's 5-day VWAP of \$0.274 up to and including 6 October 2021;
- + 38% to Swick's 30-day VWAP of \$0.253 up to and including 6 October 2021; and
- + 69% to Swick's 6-month VWAP of \$0.207 up to and including 6 October 2021.

The graph below illustrates the premium implied by the Scheme Consideration of \$0.35 per Swick Share to the benchmarks listed above.

Figure 1. Scheme Consideration premium to historical Swick trading prices

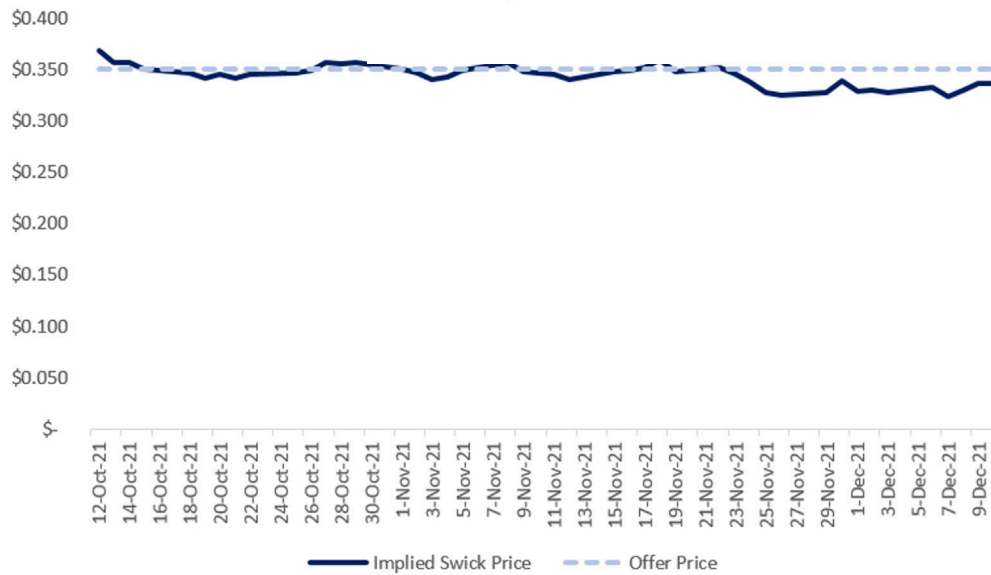


The premia and analysis above are measured off trading share prices for Swick as a whole and do not attempt to apportion the share value between the Swick Drilling Business and Orexplore. It is not possible to accurately determine what value, if any, was attributable to Orexplore within the Swick Share price prior to announcement of the proposed DDH1 transaction. However, it is noted that the Independent Expert has estimated the value that may be attributed to Orexplore within the Swick Share price prior to announcement of the Scheme, amounting to \$0.041 per Swick Share based on the enterprise value of Orexplore implied in the Priority Offer. If this value was deducted from the share prices used in Figure 1 above (last close, 5-day VWAP, 30-Day VWAP, 6-month VWAP) then the implied premium would be considerably higher than the premia noted in the chart above.

1. KEY REASONS TO VOTE IN FAVOUR OF THE SCHEME

Since the announcement of the Scheme, the DDH1 Share price has traded in a range of \$1.045 to \$1.24, and the value of the Scheme has shifted accordingly given the nature of the Scheme Consideration as follows:

Figure 2. Implied Value of the Scheme Consideration since announcement⁽¹⁾



- (1) Based on 0.2970 New DDH1 Shares for each Swick Share and applied to the DDH1 closing share price on each day since announcement of the proposed Transaction.

1. KEY REASONS TO VOTE IN FAVOUR OF THE SCHEME

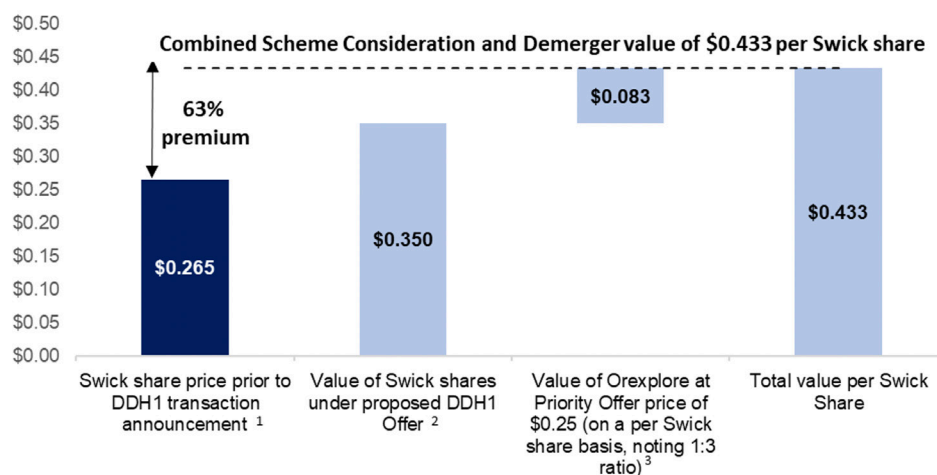
1.3 The Scheme and Demerger will unlock immediate value for Swick Shareholders

Under the terms of the Scheme, Swick Shareholders will receive the Scheme Consideration with an implied value of \$0.35 per Swick Share (based on DDH1's 5 day VWAP up to and including 6 October 2021) plus the value of the New Orexplore Shares to be distributed as part of the Orexplore Demerger. The Orexplore Demerger was first given in-principle support and announced on 30 July 2020 and then re-commenced in June 2021, with additional details provided to Swick Shareholders at the time of Swick's FY21 results announcement on 30 August 2021.

On 23 November 2021, Swick announced the final terms of the Orexplore Demerger and advised that Swick Shareholders would receive one New Orexplore Share for every three Swick Shares held at the Demerger Record Date of 5.00pm (AWST time) on 30 December 2021. Swick also announced the details of an independent valuation by Deloitte Corporate Finance and the pricing of the Priority Offer at \$0.25 per Orexplore Share, which 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 Demerger Record Date).

The combined value of the Scheme Consideration and the New Orexplore Shares to be received represents an attractive premium for Swick Shareholders as measured against the Swick Share price prior to announcement of the proposed Transaction on 12 October 2021, and against prior Swick trading prices, as follows:

Figure 3. Scheme Consideration and Demerger Value premium to pre-announcement price



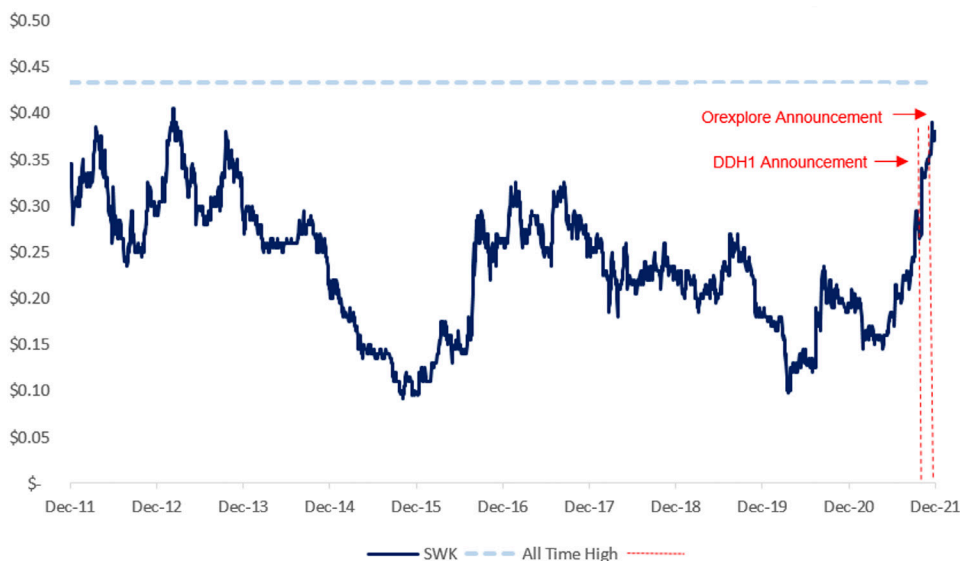
- (1) Swick closing share price as at 6 October 2021, being the last trading day prior to Swick and DDH1 agreeing valuation terms.
- (2) Based on Scheme Consideration of 0.2970 DDH1 Shares for each Swick Share which equated to an implied value of \$0.35 per Swick Share based on DDH1's 5-day volume weighted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

1. KEY REASONS TO VOTE IN FAVOUR OF THE SCHEME

1.4 The combined Scheme Consideration and Demerger value represents a share price high compared to Swick Share trading over the past 10 years

The combined value of the Scheme Consideration and the New Orexplore Shares to be received for each Swick Share (valued at the issue price under the Priority Offer of \$0.25 each) represents a combined value of \$0.433 per Swick Share which exceeds the price at which Swick Shares have traded in the past 10 years.

Figure 4. Combined Scheme Consideration and Demerger value compared with historic Swick Share price



Since the announcement of the final Demerger details on 23 November 2021, the Swick Share price has increased reflecting greater awareness of the Demerger details and underlying Orexplore value.

1.5 The Independent Expert has concluded that, in the absence of a Superior Proposal emerging, the Scheme is fair and reasonable, and hence in the best interests of Swick Shareholders

The Swick Directors appointed Grant Thornton as Independent Expert to prepare an Independent Expert's Report providing an opinion as to whether the Scheme is fair and reasonable and in the best interests of Swick Shareholders.

The Independent Expert assessed the valuation of Swick on the assumption that the Orexplore Demerger had occurred and post the Swick seed investment into Orexplore of \$12m. In that sense, the Independent Expert has valued Swick on an ex-Orexplore basis such that it is comparable to the proposed transaction under which DDH1 will acquire Swick (i.e. ex-Orexplore). The Independent Expert has assessed the fair market value of Swick (ex-Orexplore) to be within the range of \$0.326 to \$0.427 per Swick Share, and assessed the fair market value of the Scheme Consideration to be within the range of \$0.332 to \$0.375 per Swick Share (which compares to the implied value of the Scheme Consideration on announcement and used throughout this Scheme Booklet of \$0.35 per Swick Share).

The Independent Expert has also assessed the reasonableness of the Scheme after considering a number of advantages, disadvantages and other factors.

Based on the valuation and reasonableness considerations, the Independent Expert has concluded that the Scheme is fair and reasonable and hence in the best interests of Swick Shareholders in the absence of a Superior Proposal emerging.

A copy of the Independent Expert's Report is included in Annexure A of this Scheme Booklet. The Swick Directors encourage you to read the Independent Expert's Report in its entirety before making a decision as to whether to vote in favour or to not vote in favour of the Scheme.

1. KEY REASONS TO VOTE IN FAVOUR OF THE SCHEME

1.6 The Scheme enables Swick Shareholders to retain an exposure to Swick and the enlarged DDH1 Group and to benefit from any synergies and capital market benefits that may emerge

A combination of DDH1 and Swick will create a global scale mineral drilling company with a balance of surface (c.60%) and underground (c.40%) drilling from a combined fleet of over 170 rigs generating approximately \$445 million per annum. The Combined Group will be the largest drilling services company on the ASX (in terms of drilling fleet). While DDH1 and Swick both operate in the drilling industry, they operate within different parts of the industry and offer different areas of expertise, making the businesses highly complementary and offering Swick Shareholders greater diversity in terms of activities, revenues, and customer base.

In addition, under the proposed Transaction, the Swick Drilling Business will be run as a standalone division under the DDH1 umbrella to maintain its branding and customer service focus, and will sit alongside DDH1's other brands of DDH1 Drilling, Ranger Drilling and Strike Drilling enabling the enlarged group to extract costs synergies and savings while preserving the customer facing aspects of each business. This will enable Swick Shareholders to continue to benefit from an exposure to Swick while sharing in the benefits of the enlarged DDH1 Group. DDH1 has indicated to the market that it expects synergies of \$2m- \$5m over time, which will benefit both sets of shareholders.

From an ASX and capital markets perspective, a combination of DDH1 and Swick will create a leading ASX listed mineral drilling operator and result in an expansion of the share register which could result in a greater investor interest in its shares and a greater share trading liquidity.

1.7 Since the announcement of the Scheme, no Superior Proposal has been received

The Scheme Implementation Agreement prohibits Swick from soliciting and responding to a Competing Proposal and requires Swick to notify DDH1 of any Competing Proposal and its terms, other than in certain circumstances including in relation to a genuine Competing Proposal where doing the above would represent a breach of the Director's fiduciary or statutory obligations (see sections 12.4 - 12.6 for further information).

As at the date of this Scheme Booklet, neither Swick nor any of Swick's advisors have received any Competing Proposal from a third party and there are no third-party discussions underway with Swick (or its advisors) in relation to a Competing Proposal. Swick will notify Swick Shareholders if a Superior Proposal is received before the Second Court Date.

1.8 The Scheme is more favourable than other alternatives considered by the Swick Board

In considering and recommending the Scheme, the Swick Board considered, among others:

- (a) the takeover premium being offered to Swick Shareholders relative to historic Swick Share trading levels;
- (b) the potential trading values of Swick Shares ex-Orexplore (i.e. following the Demerger) and the time period in which such trading values could be achieved having regard to trading multiples of the peer group;
- (c) the implied transaction multiples that DDH1 is offering for the Swick Drilling Business compared with other transactions in the drilling and mining services sector and noting that the multiples are within the range of other comparable precedent transactions; and
- (d) the outlook, risks and opportunities available for Swick as a standalone entity and the outlook, risks and opportunities available to Swick Shareholders as part of DDH1.

After considering all of the above, the Directors decided to recommend the Scheme and continue to be of the view that the Scheme is in the best interests of Swick Shareholders. Since the announcement of the Transaction on 12 October 2021, no Superior Proposal has been received.

1. KEY REASONS TO VOTE IN FAVOUR OF THE SCHEME

1.9 If the Scheme does not proceed, and no Superior Proposal is received, the Swick Share price may fall in the near-term

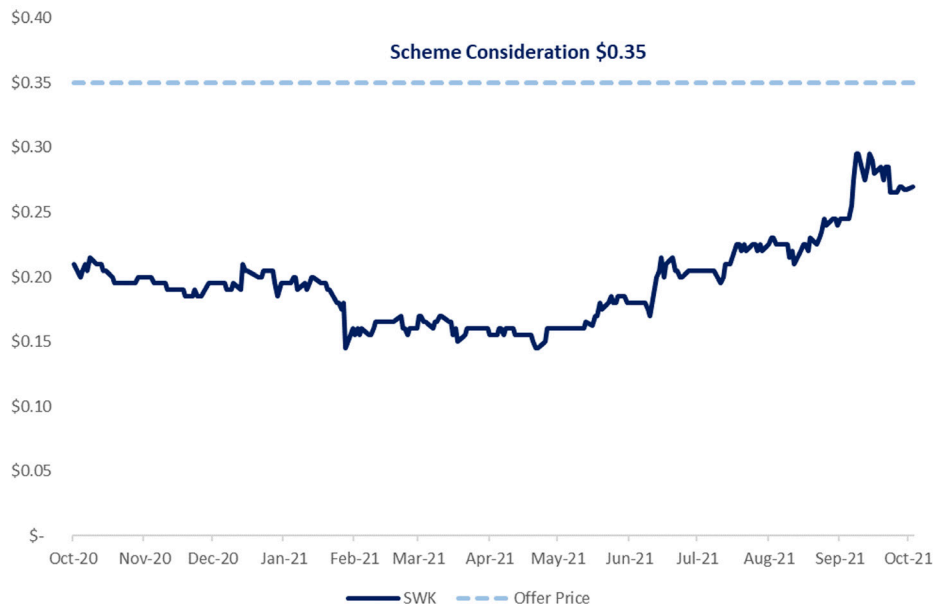
On 7 October 2021, the date of the in-principle agreement of terms was reached with DDH1 (culminating with the announcement of an in-principle agreement with DDH1 on 12 October 2021), the closing price of Swick Shares was \$0.265 per Swick Share. Since that time, Swick Shares have consistently traded above that price. On 23 November 2021, Swick announced the final terms of the Orexplore Demerger including a Priority Offer at an issue price of \$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 Demerger Record Date). Following this announcement, there has been a further increase in the Swick Share price as the market became better informed of the underlying value of Orexplore.

If the Scheme is not implemented, and in the absence of a Superior Proposal, the price of Swick Shares on the ASX may fall, including to a price that is below the implied value of the Scheme Consideration of \$0.35 per Swick Share and below the price at which they have traded since the announcement on 12 October 2021. The extent of any decline in the Swick Share price will also depend on whether the Orexplore Demerger is approved by Swick Shareholders at the Demerger Meeting scheduled for 22 December 2021.

If the Scheme is not implemented, but the Orexplore Demerger proceeds, Swick will then comprise of the Swick Drilling Business only and Swick Shares will trade on an ex-Orexplore basis. Swick Shares have not traded on an ex-Orexplore basis since 2013 and so it is unclear at what level Swick Shares would trade, but it is likely to be at prices below the implied value of the Scheme Consideration of \$0.35 per Swick Share.

If the Orexplore Demerger is not approved and the Scheme is not implemented, then Swick will continue to operate as a combined Swick Drilling Business and Orexplore Business. On that basis, it is likely the Swick Share price will decline back toward where it traded prior to the announcement of the proposed Transaction on 12 October 2021 and potentially significantly lower than that level as set out in the chart below which shows Swick's Share price performance in the twelve months prior to the announcement of the Scheme.

Figure 5. Swick Share Price Performance over the Twelve Months prior to the Scheme announcement



1. KEY REASONS TO VOTE IN FAVOUR OF THE SCHEME

1.10 No brokerage or stamp duty will be payable by you for the transfer of your Swick Shares under the Scheme and Swick Shareholders who make a capital gain from the disposal of their Swick Shares should generally be eligible to choose CGT scrip-for-scrip roll-over relief

If the Scheme is implemented, Shareholders will not incur any brokerage or stamp duty on the transfer of Swick Shares to DDH1 FinCo under the Scheme. It is possible that such charges may be incurred if Swick Shares are transferred other than under the Scheme.

As DDH1 will become the owner of 80% or more of the shares in Swick under the Scheme, Swick Shareholders who make a capital gain from the disposal of their Swick Shares should generally be eligible to choose CGT scrip-for-scrip roll-over relief. Refer to section 10.3 for further information regarding the availability of CGT scrip-for-scrip roll-over relief.

2. REASONS WHY YOU MAY CHOOSE TO VOTE AGAINST THE SCHEME

This section summarises the potential disadvantages and risks to Swick Shareholders if the Scheme becomes Effective and the Merger occurs. Swick Directors consider that these disadvantages and risks are outweighed by the advantages of the Scheme (as set out in section 1), and that the Scheme is in the best interests of Swick Shareholders.

Further details of the following potential disadvantages and risks, and other potential risks, are set out in section 9.

2.1 You may prefer to see Swick trade on an “ex-Orexplore” basis and to establish a new base level share price before considering corporate activity

Since announcing the proposed Transaction, Swick has confirmed the final details of the Orexplore Demerger as well as the Orexplore Demerger timetable. Under the timetable, the Demerger Meeting will occur on 22 December 2021 and, subject to completion, Orexplore is expected to be admitted to the Official List of ASX and trade as an independent entity in January 2022. Swick Shares have not traded on an “ex-Orexplore” basis since 2013 and Swick Shareholders may prefer to allow Swick to trade as a “drilling only” entity and establish a “drilling-only” value on the ASX prior to contemplating corporate activity.

2.2 You may disagree with the conclusion of the Independent Expert and the recommendation of your Swick Directors

Notwithstanding the unanimous recommendation by Swick Directors, and the conclusion reached by the Independent Expert that, in the absence of a Superior Proposal emerging, the Scheme is fair and reasonable and therefore in the best interests of Swick Shareholders, you may believe that the Scheme is not in your best interests or believe that the Scheme Consideration is inadequate.

2.3 You may have concerns on the value of the DDH1 Share price given its limited trading history

DDH1 listed on the ASX on 9 March 2021 and so has had only a short listed history. As part of DDH1’s IPO, a number of the major shareholders (founders of the underlying businesses and entities associated with Oaktree) were subject to varying escrow arrangements. Some of the escrowed shares have now been released from escrow and the shares are free to be sold by the underlying shareholders. You might consider the release from escrow will create selling pressure and put downward pressure on the DDH1 Share price. Conversely, you might consider this to be a short-term phenomena and that the clearance of escrowed shares will remove a potential overhang in the DDH1 Share price and create more liquidity.

2.4 The exposure of Swick Shareholders to Swick’s operations (predominantly underground drilling) is diluted in the Combined Group

Although the Merger is expected to provide additional value through the combination of the two businesses, given the proportional shareholding of Swick Shareholders in the Combined Group (approximately 19.7%), the larger portion of this value will flow to current DDH1 Shareholders. As such, the risk profile of the Combined Group will be different to Swick’s which you may consider to be disadvantageous to you relative to the risk profile of the current Swick business.

The risk profile and risk of investment for Swick Shareholders will change and you may consider the risk profile and risk of investment of the Combined Group, which includes risks relating to both the DDH1 business and the Swick business, to be a disadvantage relative to that of Swick as a standalone entity.

The operations and financial performance of Swick, DDH1 and the Combined Group, and the change of a Swick Shareholder’s ownership of Swick Shares and New DDH1 Shares, are subject to various risks that are summarised in section 9 of this Scheme Booklet. Those risks may be beyond the control of Swick, DDH1 and/or the Combined Group.

2. REASONS WHY YOU MAY CHOOSE TO VOTE AGAINST THE SCHEME

2.5 You may consider that there is the potential for a Superior Proposal to emerge for Swick in the foreseeable future

You may believe that there is a possibility that a Superior Proposal could emerge in the foreseeable future. The implementation of the Merger would mean that Swick Shareholders would not be able to obtain the benefit of any such Superior Proposal. However, since the Announcement Date and up to the date of this Scheme Booklet, no Superior Proposal has been received, nor are the Swick Directors aware of any such intention of a party to make such a proposal.

2.6 The exact value of the Scheme Consideration upon implementation of the Scheme is not certain

The exact value of the Scheme Consideration that would be realised by individual Swick Shareholders upon implementation of the Scheme is not certain, as it will depend on the price at which the New DDH1 Shares trade on the ASX.

The Scheme Consideration is fixed at a ratio of 0.2970 New DDH1 Shares for every 1 Swick Share held on the Scheme Record Date. This exposes Swick Shareholders to the risk that the effective value they receive for their Swick Shares may move adversely from the market value of the Scheme Consideration on the date of the Scheme Meeting. Alternatively, if there is an increase in the relative price of DDH1 Shares then the effective value they receive for their Swick Shares may move favourably from the market value of the Scheme Consideration on the date of the Scheme Meeting. As set out in Figure 2, the value of the Scheme Consideration since announcement of the Scheme has varied with the movement in the DDH1 Share price.

In addition, the Sale Agent will be issued the New DDH1 Shares that would otherwise be issued to Ineligible Overseas Shareholders and will sell them as soon as reasonably practicable after the Implementation Date (refer to sections 5.7 to 5.8). Although the quantum of these sales is expected to be limited, it is possible that such sales may exert downward pressure on the Combined Group's share price during the applicable period.

2.7 The tax consequences of the Scheme may not suit your current financial position

If the Scheme is implemented, you may incur a tax liability on the transfer of your Swick Shares. Please refer to section 10 for further information for an overview of the tax implications under Australian law.

All Swick Shareholders are strongly advised to seek independent professional tax advice about their particular circumstances including, for foreign tax resident Swick Shareholders, the foreign tax consequences.

3. IMPLICATIONS IF THE SCHEME IS NOT IMPLEMENTED

This section outlines potential implications for Swick and Swick Shareholders if the Scheme is not implemented.

3.1 You will not receive the Scheme Consideration

Each Swick Shareholder will retain their Swick Shares and will not receive any New DDH1 Shares (or Net Sale Proceeds, for Ineligible Overseas Shareholders).

3.2 Swick will remain listed on ASX and continue to operate as a standalone entity

If the Scheme is not implemented, Swick will remain listed on the ASX and will continue to run its business in the same manner in which it is currently operating. Swick Shareholders will therefore continue to be exposed to the risks and benefits of owning Swick Shares, including many of the risks set out in section 9.

3.3 Transaction costs will be incurred

If the Scheme is not implemented, Swick's transaction costs of approximately \$1,920,000 will be borne by Swick. Depending on the circumstances for the Scheme not proceeding, Swick may also be liable to pay DDH1 a Break Fee of \$994,000 and vice versa. Further information regarding the Break Fee and the circumstances in which it is payable by Swick and DDH1 is set out in section 12.8. In the circumstances whereby DDH1 is liable to pay Swick the Break Fee, Swick will apply this Break Fee towards offsetting a portion of the transaction costs incurred by Swick. However, in the event that Swick receives the Break Fee from DDH1, Swick will remain liable to pay transaction costs in relation to the Scheme.

4. FREQUENTLY ASKED QUESTIONS

This section provides brief answers to questions you may have in relation to the Scheme but must be read in conjunction with the more detailed information in this Scheme Booklet.

QUESTIONS ABOUT THE SCHEME	
What is the Scheme?	<p>The Scheme is a proposed acquisition by DDH1 of Swick to be implemented by way of scheme of arrangement under Part 5.1 of the Corporations Act between Swick and the Swick Shareholders on the Record Date (Scheme Shareholders) under which the Scheme Shares held by Scheme Shareholders will be transferred to DDH1 FinCo in consideration for issuance by DDH1 of the Scheme Consideration.</p> <p><i>Refer to sections 5 and 11 for further information.</i></p>
What is the Scheme Consideration?	<p>If the Scheme becomes Effective, Scheme Shareholders (other than Ineligible Overseas Shareholders) will receive 0.2970 New DDH1 Shares for every 1 Scheme Share they hold on the Record Date.</p>
What value does the Scheme imply for my Swick Shares?	<p>Based on the 5 day VWAP of DDH1's Shares up to and including 6 October 2021⁴ of \$1.1793 per DDH1 Share, Scheme Shareholders will receive an upfront implied value of \$0.35 per Swick Share.</p> <p>The implied value of the Scheme Consideration may increase or decrease prior to the Implementation Date based on movements in DDH1's Share price.</p> <p><i>Refer to section 7.14(a) for the most recent price history of DDH1.</i></p>
What is the effect of the Scheme?	<p>If the Scheme is approved by the Requisite Majority of Swick Shareholders and the Court:</p> <ul style="list-style-type: none"> + all Swick Shares will be transferred to DDH1 FinCo; + in exchange, Scheme Shareholders (other than Ineligible Overseas Shareholders) will receive New DDH1 Shares irrespective of whether they voted for or against the Scheme; + Ineligible Overseas Shareholders will receive the Net Sale Proceeds instead of New DDH1 Shares as their Scheme Consideration irrespective of whether they voted for or against the Scheme; and + Swick will become a wholly-owned Subsidiary of DDH1 and will be delisted from the ASX. <p><i>Refer to sections 5.1 and 5.7 for further information.</i></p>
What does the Independent Expert say about the Scheme?	<p>The Independent Expert has concluded that the Scheme is fair and reasonable and hence in the best interests of Swick Shareholders, in the absence of a Superior Proposal emerging.</p> <p><i>The Independent Expert's Report is set out in Annexure A to this Scheme Booklet and you are encouraged to read it in full.</i></p>

⁴ 6 October 2021 was the last day DDH1 Shares traded on the ASX prior to Swick and DDH1 agreeing valuation terms.

4. FREQUENTLY ASKED QUESTIONS

QUESTIONS ABOUT THE SCHEME	
<p>What do Swick Directors recommend?</p>	<p>Swick Directors unanimously recommend that, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Swick Shareholders, Swick Shareholders vote in favour of the Scheme. Each Swick Director who holds or controls Swick Shares intends to vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Swick Shareholders.</p> <p><i>Refer to section 1 for further information on the reasons for the Swick Directors' recommendation.</i></p>
<p>Who is entitled to participate in the Scheme?</p>	<p>Swick Shareholders who are recorded on the Swick Share Register as at 5.00pm (AWST time) on Wednesday, 9 February 2022 (being the Record Date) as the holder of one or more Scheme Shares are entitled to participate in the Scheme (Scheme Shareholders). If the Scheme is approved and implemented, Scheme Shareholders (other than Ineligible Overseas Shareholders) will receive New DDH1 Shares as their Scheme Consideration.</p> <p><i>Refer to section 5.2 for further information.</i></p>
<p>What if I am an Ineligible Overseas Shareholder?</p>	<p>Ineligible Overseas Shareholders will not receive New DDH1 Shares, but will instead receive cash proceeds from the sale of the New DDH1 Shares they would have otherwise received had they not been an Ineligible Overseas Shareholder, after their proportional share of brokerage and other costs are deducted from the proceeds of New DDH1 Shares sold under the Sale Facility.</p> <p><i>Refer to sections 5.7 and 5.8 for further information.</i></p>
<p>Who is DDH1?</p>	<p>DDH1 Limited (ASX:DDH) is an ASX-listed specialised mineral drilling company based in Western Australia. DDH1 provides specialised mineral drilling services from three complementary drilling brands to clients throughout Australia:</p> <ul style="list-style-type: none"> + DDH1 Drilling (Diamond Core drilling and specialist engineering drilling services); + Strike Drilling (Air Core and Reverse Circulation drilling services); and + Ranger Drilling (Reverse Circulation and Diamond Core drilling services). <p><i>Refer to section 7 for further information.</i></p>
<p>Why has the transaction been structured as a scheme of arrangement?</p>	<p>Effecting the transaction by way of a scheme of arrangement is believed to be the most efficient structure to implement the Merger. It also reflects the co-operative nature of the Merger.</p> <p><i>Refer to sections 1 and 2 for the key reasons to vote in favour of the Scheme and the reasons why you may choose to vote against the Scheme respectively.</i></p>

4. FREQUENTLY ASKED QUESTIONS

QUESTIONS ABOUT THE SCHEME	
<p>What voting majority is required to approve the Scheme?</p>	<p>For the Scheme to be approved by Swick Shareholders, votes in favour of the Scheme must be received from:</p> <ul style="list-style-type: none"> + a majority in number (more than 50%) of Swick Shareholders present and voting at the Scheme Meeting (either in person or by appointing a proxy, attorney or corporate representative to attend and vote at the Scheme Meeting on their behalf) (the Court has discretion to waive this requirement if it considers it appropriate to do so); and + at least 75% of the total number of votes cast on the Scheme Resolution by Swick Shareholders present and voting at the Scheme Meeting (either in person or by appointing a proxy, attorney or corporate representative to attend and vote at the Scheme Meeting on their behalf).
<p>When will I receive my Scheme Consideration?</p>	<p>If the Scheme becomes Effective, New DDH1 Shares will be issued on the Implementation Date, which is expected to be Wednesday, 16 February 2022.</p> <p>Ineligible Overseas Shareholders will receive the Net Sale Proceeds as soon as reasonably practicable after the Implementation Date.</p> <p><i>Refer to sections 5.2 and 5.8 for further information.</i></p>
<p>Will I have to pay brokerage fees or stamp duty under the Scheme?</p>	<p>Scheme Shareholders will not be required to pay brokerage or stamp duty on the transfer of their Swick Shares.</p> <p>Brokerage fees will however be incurred by Ineligible Overseas Shareholders whose attributable New DDH1 Shares will be issued to and sold by the Sale Agent, and the Net Sale Proceeds remitted to them.</p> <p><i>Refer to section 5.8 for further information.</i></p>
<p>Can I sell my Swick Shares now?</p>	<p>Swick Shareholders may sell their Swick Shares at the prevailing market price, on-market at any time before the close of trading on ASX on the Effective Date, which is expected to be 4.00pm (AWST time) on 7 February 2022.</p> <p>If Swick Shareholders sell all of their Swick Shares before the Effective Date of the Scheme (the last day of trading in Swick Shares before suspension) they will not receive the Scheme Consideration.</p> <p><i>Refer to the Scheme of Arrangement set out in Annexure B of this Scheme Booklet for further information.</i></p>
<p>When can I start trading my New DDH1 Shares on ASX?</p>	<p>Normal trading on the ASX of New DDH1 Shares is expected to commence on Thursday, 17 February 2022.</p>

4. FREQUENTLY ASKED QUESTIONS

QUESTIONS ABOUT THE SCHEME	
What happens to Swick Warrants?	<p>Pursuant to clause 8 of the Scheme Implementation Agreement, as at the Delivery Time, Swick must have put arrangements in place so that all Swick Performance Rights and Swick Warrants will either vest (and have resulted in the issue of Swick Shares), lapse or otherwise be cancelled or terminated before the Record Date.</p> <p>Swick has entered into Warrant Termination Deeds with each Warrant Holder whereby each Swick Warrant is cancelled conditional upon the following conditions being satisfied or waived on or before the date that is 6 months after execution of the Warrant Termination Deed:</p> <ul style="list-style-type: none"> + ASX waiving any requirement for Swick to obtain approval from Swick Shareholders for the termination of the Swick Warrants for the purposes of the ASX Listing Rules; and + Swick paying each Warrant Holder (or its nominee) a sum (in aggregate for all Warrant Holders, being \$14,581) or, where applicable, terminating a loan associated with the subscription of the Swick Warrants (in aggregate for all Warrant Holders, being \$13,567) (Warrant Consideration). <p><i>Refer to section 5.9 for further information regarding treatment of the Swick Warrants.</i></p>
What happens to Swick Performance Rights?	<p>Swick has a total of 1,922,672 Swick Performance Rights on issue.</p> <p>Swick has confirmed and DDH1 has acknowledged that:</p> <ul style="list-style-type: none"> + Swick will accelerate the vesting of, or waiving of any vesting conditions or vesting periods applying to, 934,303 Swick Performance Rights; + Swick will issue or procure the issue or transfer of 934,303 Swick Shares as required by the terms of the Swick Performance Rights before the Record Date, so that the holders of the Swick Performance Rights can participate in the Scheme and receive the Scheme Consideration; and + Swick will cancel 988,369 Swick Performance Rights held by Mr Kent Swick. <p><i>Refer to section 5.10 for further information.</i></p>
Will the Scheme be a taxable transaction for Australian tax purposes?	<p>Section 10 provides a description of the general Australian tax consequences of the Scheme for certain Scheme Shareholders.</p> <p>You should consult with your own tax adviser regarding the consequences of disposing of Swick Shares under the Scheme, in light of current tax laws and your particular personal circumstances.</p> <p><i>Refer to section 10 for further information.</i></p>

4. FREQUENTLY ASKED QUESTIONS

QUESTIONS ABOUT THE SCHEME	
<p>What are the benefits of DDH1 acquiring Swick to form the Combined Group?</p>	<p>The combination of Swick and DDH1 creates a mineral drilling industry leader with a strong balance of surface and underground drilling exposures.</p> <p>The combination is expected to enable the Combined Group to realise significant cost synergies, of at least \$2 to 5 million p.a. from corporate cost savings as well as procurement and maintenance efficiencies. There is further significant revenue synergy opportunity for the Combined Group to deliver whole-of-mine specialised drilling services which hasn't been quantified.</p> <p>The Combined Group will have a significant presence in the Australian and international markets that may open up additional business opportunities, relative to DDH1 and Swick as standalone entities. While DDH1 and Swick both operate in the drilling industry, they operate within different parts of the industry and offer different areas of expertise, making the businesses highly complementary and offering Swick Shareholders greater diversity in terms of activities, revenues, and customer base.</p> <p>The combination will also result in an expansion of the share register which could result in a greater investor interest in its shares and a greater share trading liquidity.</p> <p><i>Refer to section 1 for the reasons why the Swick Directors recommend that you vote in favour of the Scheme and section 8 for a profile of the Combined Group.</i></p>
<p>Is the Scheme conditional on Swick Shareholders approving the Demerger?</p>	<p>Yes. The Scheme will not become Effective if the Requisite Majority of Swick Shareholders do not approve the Demerger at the Demerger Meeting, unless that Scheme Condition is waived by DDH1. Furthermore, pursuant to Swick's obligations under the Scheme Implementation Agreement, prior to the Delivery Time, Swick must undertake all steps required to give effect to, or otherwise be in a position to give effect to, the Demerger on or before the Implementation Date.</p> <p>The Demerger Meeting will be held at Aloft Perth at 27 Rowe Avenue, Rivervale, WA 6103 at 10.00am (AWST time) on Wednesday, 22 December 2021.</p>
<p>What will be the strategy of the Combined Group?</p>	<p>The merger of DDH1 and Swick will create a mineral drilling industry leader with a strong balance of surface and underground drilling exposures, with a combined fleet of over 170 rigs across 3 continents.</p> <p>The Merger represents a transformational transaction, by which DDH1 will grow the customer service opportunity whilst leveraging common processes and cost base to create long term value for shareholders. The Combined Group will have four business streams, with complementary capabilities - surface diamond coring mineral drilling, air core and reverse circulation drilling specialist and underground diamond core drilling specialist services. The Combined Group's engineering function and maintenance division will also deliver benefits from reduced rig downtime and increased utilisation across the broader business.</p> <p><i>Refer to sections 7 and 8 for further information.</i></p>
<p>What will the Combined Group be called?</p>	<p>The Combined Group will operate under the name of 'DDH1 Limited' and Swick will be a wholly-owned Subsidiary of DDH1.</p> <p><i>Refer to section 8 for further information.</i></p>
<p>Who will be the Chairperson of the Combined Group?</p>	<p>Diane Smith-Gander will be the Chairperson of the Combined Group.</p> <p><i>Refer to section 8.3(c) for further information.</i></p>

4. FREQUENTLY ASKED QUESTIONS

QUESTIONS ABOUT THE SCHEME	
Who will be on the Combined Group Board?	<p>Following the implementation of the Scheme, there are no plans to change the current DDH1 Board composition, comprising of:</p> <ul style="list-style-type: none"> + Diane Smith-Gander AO; + Alan Broome AM; + Sybrandt (Sy) van Dyk; + Andrea Sutton; + Murray Pollock; and + Byron Beath. <p>Refer to section 8.3(c) for further information.</p>
Are there expected to be any changes to staffing as a result of the Merger?	<p>Except for corporate and support function optimisation, DDH1 does not currently intend to make changes to Swick's operational management staff.</p> <p><i>Refer to section 8.3(c) for further information.</i></p>
What will the dividend policy of the Combined Group be?	<p>The DDH1 Board may from time to time resolve to pay dividends to DDH1 Shareholders and fix the amount of the dividend, the time for determining entitlements to the dividend and the timing and method of payment. DDH1's target payout ratio for the payment of dividends is 30% to 50% of NPATA, and DDH1 intends to continue to strive to maintain this policy.</p> <p><i>Refer to section 8.3(e) for further information.</i></p>
What is the timetable for the Scheme?	<p>If Swick Shareholders approve the Scheme and Court approval is obtained, the Merger is expected to be implemented on Wednesday, 16 February 2022. This is based on the current scheduled timetable of key dates as set out in this Scheme Booklet, which is subject to possible change.</p> <p><i>Refer to the important dates and times on page v of this Scheme Booklet for further information.</i></p>
What are the Scheme Conditions?	<p>The Scheme Conditions that have not already been satisfied as at the date of this Scheme Booklet are described in sections 11.2 and 12.1.</p> <p>The Scheme will only be implemented if, amongst other things:</p> <ul style="list-style-type: none"> + the Requisite Majority of Swick Shareholders approve the Scheme and the Demerger; + the Court approves the Scheme; and + the remainder of the Scheme Conditions are satisfied or waived. <p>At the date of this Scheme Booklet, Swick Directors are not aware of any Scheme Condition that is likely to prevent the Scheme becoming Effective and the Merger progressing.</p> <p><i>Refer to sections 11.2 and 12.1 for further information.</i></p>
What happens if one or more of the Scheme Conditions are not satisfied or waived?	<p>The Scheme will not be implemented, and Swick and DDH1 will continue as separate entities, with each company bearing its own costs incurred as a result of the Transaction. Depending on the circumstances for the Scheme Condition not being satisfied, a Break Fee of \$994,000 may also be required to be paid by Swick to DDH1 or by DDH1 to Swick.</p> <p><i>Refer to section 3 for further information regarding the implications if the Scheme is not implemented. See also section 12.1 for a summary of the outstanding Scheme Conditions and section 12.8 for a summary of the circumstances in which the Break Fee may be payable.</i></p>

4. FREQUENTLY ASKED QUESTIONS

QUESTIONS ABOUT THE SCHEME	
Under what scenarios can Swick or DDH1 terminate the Scheme?	<p>The Scheme Implementation Agreement sets out the circumstances in which Swick or DDH1 can terminate the Scheme Implementation Agreement (and therefore terminate the Scheme).</p> <p>These include the Scheme not being approved by the Requisite Majority of Swick Shareholders and if the remainder of the Scheme Conditions are not satisfied by the relevant time.</p> <p><i>Refer to section 12.9 for further information.</i></p>
What happens if the Scheme is not approved?	<p>If the Scheme is not approved, the Scheme will not proceed and Swick will continue to operate as a standalone entity, listed on the ASX. However, if the Scheme is not approved but the Demerger is approved, Swick will proceed to implement the Demerger. If neither the Scheme nor the Demerger are approved by the Requisite Majority of Swick Shareholders, then Swick will continue to operate on a “business as usual” basis.</p> <p><i>Refer to section 3 for further information.</i></p>
When and where will the Scheme Meeting be held?	<p>The Scheme Meeting will be held at Aloft Perth at 27 Rowe Avenue, Rivervale, WA 6103 at 10.00am (AWST time) on Monday, 17 January 2022.</p> <p><i>Refer to the Notice of Scheme Meeting set out in Annexure D of this Scheme Booklet for further information.</i></p>
Who is entitled to vote on the Scheme?	<p>Swick Shareholders who are recorded as members on the Swick Share Register as at 4.00pm (AWST time) on Saturday, 15 January 2022 are entitled to vote at the Scheme Meeting.</p> <p><i>Refer to the meeting details and how to vote section on page 4 onwards of this Scheme Booklet for further information.</i></p>
Is voting compulsory?	<p>Voting is not compulsory. However, your vote is important in deciding whether the Scheme is approved. Swick Shareholders are strongly encouraged to vote.</p> <p>Swick Shareholders who cannot attend the Scheme Meeting may complete and return the personalised proxy form (enclosed with this Scheme Booklet) or alternatively appoint a representative or a power of attorney.</p> <p><i>Refer to the meeting details and how to vote section on page 4 onwards of this Scheme Booklet for further information.</i></p>
How do I vote?	<p>Details of how to vote are set out on page 4 onwards of this Scheme Booklet and are also included in the Notice of Scheme Meeting set out in Annexure D of this Scheme Booklet.</p> <p><i>Refer to the meeting details and how to vote section on page 4 onwards of this Scheme Booklet for further information.</i></p>

4. FREQUENTLY ASKED QUESTIONS

QUESTIONS ABOUT THE DEMERGER	
What is the Demerger?	<p>In conjunction with the Scheme, Swick and Orexplora have entered into a binding Demerger Agreement pursuant to which Swick will undertake a demerger of the Orexplora Business which will be acquired by Orexplora. Orexplora is currently an unlisted public company which intends to seek a listing on the ASX at a later point.</p> <p>A detailed overview of the assets included in the Demerger transaction is set out in the Notice of Demerger Meeting dispatched to Swick Shareholders on 22 November 2021 and announced on ASX on 23 November 2021 (as amended by the addendum to the notice of demerger meeting dated 6 December 2021 and announced on ASX on 7 December 2021). Swick Shareholders will be provided with updates regarding the Demerger on the ASX announcements platform, and each Swick Shareholder should review any announcements for status and developments regarding the Demerger.</p>
What is the structure of the Demerger?	<p>The Demerger will be effected by way of a capital reduction and in-specie distribution to Swick Shareholders under which each Swick Shareholder (other than Ineligible Overseas Shareholders) will receive 1 New Orexplora Share for every 3 Swick Shares held on the Demerger Record Date.</p> <p>As the Demerger will involve a capital reduction, the Demerger must be approved by the Requisite Majority of Swick Shareholders.</p>
What is a capital reduction in relation to the Demerger?	<p>A capital reduction is a return of capital and is a necessary step in the Demerger. The capital reduction involves a return of capital for your Swick Shares and in exchange, Swick will make an in-specie distribution to Swick Shareholders (other than Ineligible Overseas Shareholders) of 1 New Orexplora Share for every 3 Swick Shares held on the Demerger Record Date. Ineligible Overseas Shareholders will receive the sale proceeds of the New Orexplora Shares they would otherwise have been entitled free of any brokerage costs or stamp duty, but after excluding any interest and deducting any applicable withholding tax.</p>
What is the Priority Offer?	<p>In connection with the Demerger, Orexplora will undertake the Priority Offer which is an offer to eligible Swick Shareholders who hold Swick Shares as at the relevant record date to apply for a minimum of 4,000,000 Orexplora Shares at an issue price of \$0.25 each to raise a minimum of \$1,000,000 (before associated costs), with Orexplora having the right to accept oversubscriptions up to a further 6,000,000 Orexplora Shares at \$0.25 each to raise up to a further \$1,500,000 (before associated costs).</p>
What is the timetable of the Demerger?	<p>If the Demerger is approved by the Requisite Majority of Swick Shareholders, the in-specie distribution of New Orexplora Shares will be made to Swick Shareholders on Friday, 7 January 2022.</p>
What voting majority is required to approve the Demerger?	<p>For the Demerger to be approved by Swick Shareholders, votes in favour of the Demerger Resolutions must be cast by more than 50% of the total number of votes cast on the Demerger Resolutions by Swick Shareholders.</p>
What are the Demerger Conditions?	<p>The Demerger Conditions that have not already been satisfied are described in the Notice of Demerger Meeting.</p> <p>The Demerger will only be implemented if, amongst other things:</p> <ul style="list-style-type: none"> + the Requisite Majority of Swick Shareholders approve the Demerger; and + the remainder of the Demerger Conditions are satisfied or waived.

4. FREQUENTLY ASKED QUESTIONS

QUESTIONS ABOUT THE DEMERGER	
What happens if one or more of the Demerger Conditions are not satisfied or waived?	<p>The Demerger will not be implemented, and Swick will continue to focus its resources on developing all of its businesses. Swick may also need to raise further capital or source other funding to continue the development of the Orexplora Business.</p> <p>Furthermore, the Scheme is conditional on the Demerger being approved by Swick Shareholders and will not proceed if the Demerger is not approved (unless this Scheme Condition is waived by the DDH1).</p>
Who is entitled to participate in the Demerger?	<p>Each holder of Swick Shares recorded in the Swick Share Register as at the Demerger Record Date is entitled to participate in the Demerger. If the Demerger is approved and implemented, Swick Shareholders (other than Ineligible Overseas Shareholders) will receive New Orexplora Shares by way of an in-specie distribution.</p> <p><i>Refer to the Notice of Demerger Meeting for further information.</i></p>
What if I am an Ineligible Overseas Shareholder?	<p>New Orexplora Shares will not be issued to Ineligible Overseas Shareholders under the Demerger. Swick must appoint a nominee to sell those New Orexplora Shares and pay the proceeds to the Ineligible Overseas Shareholders on a pro rata basis, free of any brokerage costs or stamp duty, but after excluding any interest and deducting any applicable withholding tax.</p> <p><i>Refer to the Notice of Demerger Meeting for further information.</i></p>
When and where will the Demerger Meeting be held?	<p>The Demerger Meeting will be held at Aloft Perth at 27 Rowe Avenue, Rivervale, WA 6103 at 10.00am (AWST time) on Wednesday, 22 December 2021.</p> <p><i>Refer to the Notice of Demerger Meeting for further information.</i></p>
Who is entitled to vote on the Demerger?	<p>Swick Shareholders who are recorded as members on the Swick Share Register as at 4.00pm (WST) on Monday, 20 December 2021 are entitled to vote at the Demerger Meeting.</p> <p><i>Refer to the meeting details and how to vote set out in the Notice of Demerger Meeting.</i></p>

5. OVERVIEW OF THE SCHEME

5.1 Summary of the proposed Scheme

A scheme of arrangement is a statutory procedure that is commonly used to enable one company to acquire or merge with another. The Scheme is the mechanism by which Swick Shareholders may approve the Merger.

If implemented, the Scheme will have the following effect:

- (a) all Swick Shares will be transferred from Scheme Shareholders to DDH1 FinCo in return for the Scheme Consideration;
- (b) Swick will become a wholly-owned Subsidiary of DDH1 FinCo (which is a wholly-owned Subsidiary of the DDH1), and Swick will be de-listed from the ASX;
- (c) Scheme Shareholders (other than Ineligible Overseas Shareholders) will become shareholders in DDH1;
- (d) Ineligible Overseas Shareholders will receive the Net Sale Proceeds of the sale of the New DDH1 Shares that would otherwise be issued to them; and
- (e) the strategic direction for the development of Swick's business will be determined by the post-Scheme DDH1 Board.

Implementation of the Scheme is subject to the Scheme Conditions being satisfied, including the condition that the Scheme may only be implemented if Swick Shareholders vote in favour of the Scheme at the Scheme Meeting. A summary of the Scheme Conditions which have not already been satisfied and the steps necessary to implement the Scheme appears in section 11.2.

5.2 Scheme Consideration

If the Scheme becomes Effective, each Eligible Scheme Shareholder, will receive 0.2970 New DDH1 Shares for every 1 Swick Share they hold as at 5.00pm (AWST time) on the Record Date. The Scheme Consideration of New DDH1 Shares will be issued by DDH1 on the Implementation Date, which is expected to be Wednesday, 16 February 2022.

Ineligible Overseas Shareholders will not be issued with New DDH1 Shares. Instead, the New DDH1 Shares that would otherwise have been issued to them will be issued to the Sale Agent on their behalf and they will be sold on the ASX. The proceeds of the sale of these New DDH1 Shares less brokerage, stamp duty and other selling costs, taxes and charges will then be paid to the Ineligible Overseas Shareholders following implementation of the Scheme.

Further details of the Scheme Consideration for Ineligible Overseas Shareholders are set out in sections 5.7 and 5.8.

5.3 Scheme Meeting

On 16 December 2021, the Court ordered that the Scheme Meeting be convened in accordance with the Notice of Scheme Meeting.

The Scheme Meeting will be held at Aloft Perth at 27 Rowe Avenue, Rivervale, WA 6103 at 10.00am (AWST time) on Monday, 17 January 2022.

The fact that the Court has ordered that the Scheme Meeting be convened is not an endorsement of, or expression of opinion on, the Scheme by the Court and is no indication that the Court has a view as to the merits of the Scheme or as to how Swick Shareholders should vote at the Scheme Meeting. On these matters, Swick Shareholders must make their own decision.

5. OVERVIEW OF THE SCHEME

5.4 Unanimous recommendation of the Swick Directors

The Swick Directors unanimously recommend that, in the absence of a Superior Proposal and subject to the Independent Expert maintaining its conclusion that the Scheme is in the best interests of Swick Shareholders, Swick Shareholders vote in favour of the Scheme at the Scheme Meeting.

The Swick Directors believe that the reasons for Swick Shareholders to vote in favour of the Scheme outweigh the potential disadvantages and reasons to vote against the Scheme. Each Swick Director who holds Swick Shares or on whose behalf Swick Shares are held at the time of the Scheme Meeting intends, in the absence of a Superior Proposal, to vote in favour of the Scheme (subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Swick Shareholders).

In making their recommendation and determining how to vote on the Scheme, the Swick Directors have considered:

- (a) the advantages and disadvantages of the Scheme, as summarised in section 1 and section 2, respectively;
- (b) the implications of the Scheme not being approved, as summarised in section 3;
- (c) the opinion of the Independent Expert that the Scheme is fair and reasonable to Swick Shareholders and hence in the best interests of Swick Shareholders, in the absence of a Superior Proposal emerging (refer to section 5.5); and
- (d) the alternative arrangements to the Scheme that might have otherwise been available to Swick.

5.5 Independent Expert's conclusion

Swick commissioned the Independent Expert, Grant Thornton, to prepare a report on whether the Scheme is in the best interests of Swick Shareholders.

The Independent Expert has concluded that, in the absence of a Superior Proposal emerging, the Scheme is fair and reasonable to Swick Shareholders.

The Independent Expert has concluded that the Scheme is therefore in the best interests of Swick Shareholders.

The Independent Expert's Report is set out in Annexure A to this Scheme Booklet. Swick Directors recommend that Swick Shareholders read the Independent Expert's Report in full.

5.6 Tax consequences of the Scheme and trading and holding New DDH1 Shares for Australian and foreign resident Swick Shareholders

A general guide to the Australian tax consequences for the Scheme for certain Scheme Shareholders who are Australian or foreign tax residents is set out in section 10. This guide is not intended to provide specific tax advice in respect of the individual circumstances of any Swick Shareholder. Accordingly, Swick Shareholders should seek their own independent professional tax advice.

5. OVERVIEW OF THE SCHEME

5.7 Ineligible Overseas Shareholders

DDH1 is not obliged to issue New DDH1 Shares as consideration to any overseas holder (being a Swick Shareholder whose address in the Swick Share Register is in a jurisdiction other than Australia or its external territories or New Zealand), unless Swick determines that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with New DDH1 Shares when the Scheme becomes Effective.

The New DDH1 Shares that would have been issued to these Ineligible Overseas Shareholders will be issued to the Sale Agent on the Implementation Date and dealt with in the manner described in section 5.8.

This Scheme Booklet does not constitute an offer of DDH1 Shares in any jurisdiction in which it would be unlawful. In particular, this Scheme Booklet may not be distributed to any person, and the New DDH1 Shares may not be offered or sold, in any country outside Australia and its external territories and New Zealand.

Swick Shareholders whose address is shown on the Swick Share Register as outside of the aforementioned jurisdictions should refer to the "Important Information" section of this Scheme Booklet.

5.8 Sale Agent

As indicated in section 5.7, Ineligible Overseas Shareholders will not receive New DDH1 Shares under the Scheme. Instead, the New DDH1 Shares that would otherwise have been issued to them will be issued to the Sale Agent on the Implementation Date.

DDH1 must procure that as soon as reasonably practicable, and in any event no more than 15 Business Days after the Implementation Date, the Sale Agent sells on the financial market conducted by ASX all of the New DDH1 Shares issued to the Sale Agent (in relation to Ineligible Overseas Shareholders) in such manner, at such price and on such other terms as the Sale Agent determines in good faith and remits to DDH1 the proceeds of the sale (after deduction of any applicable brokerage, stamp duty, and other selling costs, taxes and charges) (**Net Sale Proceeds**).

After receiving the Net Sale Proceeds, DDH1 will promptly pay to each Ineligible Overseas Shareholder the proportion of the Net Sale Proceeds received by DDH1 to which that Ineligible Overseas Shareholder is entitled.

Neither Swick nor DDH1 give any assurance as to the price that will be achieved for the sale of New DDH1 Shares described above. The Net Sale Proceeds that each Ineligible Overseas Shareholder receives may be more or less than the current market value of DDH1 Shares after deducting any applicable brokerage and other costs. Further details about the Sale Facility are set out below.

Ineligible Overseas Shareholders are not required to make an election to participate in the Sale Facility.

Further details regarding the Sale Facility are as follows:

- (a) DDH1 has appointed MA Moelis Australia Securities Pty Ltd as the Sale Agent (who holds an Australian Financial Services Licence);
- (b) the market price of DDH1 Shares is subject to change from time to time. Up-to-date information on the market price of DDH1 Shares is available from www.asx.com.au (using the code "DDH");
- (c) all New DDH1 Shares attributable to Ineligible Overseas Shareholders will be issued to the Sale Agent, who will pool those New DDH1 Shares and sell them on the financial market conducted by ASX in such manner, at such price and on such other terms as the Sale Agent determines in good faith. All of the proceeds of those sales will be remitted to DDH1 (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges) and promptly after the last sale of the New DDH1 Shares, DDH1 will pay to each Ineligible Overseas Shareholder the proportion of the Net Sale Proceeds received by DDH1 to which that Ineligible Overseas Shareholder is entitled; and
- (d) therefore, the amount of the Net Sale Proceeds received by Ineligible Overseas Shareholders may be less than the actual proceeds received by the Sale Agent for that person's New DDH1 Shares.

5. OVERVIEW OF THE SCHEME

The Scheme Implementation Agreement and Scheme dated 21 October 2021 has been amended by Swick, DDH1 and DDH1 FinCo pursuant to the terms of the Letter of Variation Deed.

The Scheme Implementation Agreement and Scheme previously provided that DDH1 will not be issuing New DDH1 Shares as consideration to Cash Out Shareholders, being Scheme Shareholders (who are not Ineligible Overseas Shareholders) who, based on their holding of Scheme Shares on the date of this Scheme Booklet would, on the Implementation Date, be entitled to receive less than a Marketable Parcel of New DDH1 Shares (assessed by reference to the last traded price of Bidder Shares on ASX on the trading day prior to the date of this Scheme Booklet) as Scheme Consideration (**Cash Out Shareholders**). Instead, the New DDH1 Shares that would have been issued to these Cash Out Shareholders were to be dealt with in the manner described in this section 5.8.

Pursuant to the terms of the Letter of Variation Deed, the Cash Out Shareholders (who are not Ineligible Overseas Shareholders) will now be treated as Eligible Scheme Shareholders and will receive 0.2970 New DDH1 Shares for every 1 Swick Share they hold as at 5.00pm (AWST time) on the Record Date.

5.9 Treatment of Swick Warrants

Swick has 15 warrants on issue to various employees of Orexplore AB (5 employees in total) (**Warrant Holders**), exercisable into Swick Shares (**Swick Warrants**). The Swick Warrants were issued to incentivise and reward those employees in respect of their employment, the exercise of which is subject to certain dates passing or certain milestones being achieved regarding the product development and associated commercialisation of the Orexplore Group technologies.

Swick Warrants have a nil issue price and exercise price and an ultimate expiry date of 31 December 2022. Each Swick Warrant is exercisable based on certain dates passing or certain milestones being achieved regarding the commercialisation of the Orexplore Group technologies, and are currently exercisable into a number of Swick Shares in accordance with a formula.

Pursuant to clause 8 of the Scheme Implementation Agreement, as at the Delivery Time, Swick must have put arrangements in place so that all Swick Performance Rights and Swick Warrants will either vest (and have resulted in the issue of Swick Shares), lapse or otherwise be cancelled or terminated before the Record Date.

On 30 September 2021, Swick entered into deeds of termination with each Warrant Holder (**Warrant Termination Deeds**) whereby each Swick Warrant is cancelled conditional upon the following conditions being satisfied or waived on or before the date that is 6 months after execution of the Warrant Termination Deed:

- + ASX waiving any requirement for Swick to obtain approval from Swick Shareholders for the termination of Swick Warrants for the purposes of the ASX Listing Rules; and
- + Swick paying each Warrant Holder (or its nominee) a sum (in aggregate for all Warrant Holders, being \$14,581) or, where applicable, terminating a loan associated with the subscription of Swick Warrants (in aggregate for all Warrant Holders, being \$13,567) (**Warrant Consideration**).

Swick has obtained a waiver from ASX of the requirements of ASX Listing Rule 6.23.2 to permit the Swick Warrants to be cancelled for consideration (being the Warrant Consideration) without requiring Swick Shareholder approval to be obtained. Refer to section 13.15 for further details.

Swick confirms that it has completed the payment of the Warrant Consideration to each Warrant Holder (or its nominee), and thus all of the Swick Warrants have been cancelled.

5. OVERVIEW OF THE SCHEME

5.10 Treatment of Swick Performance Rights

As at the date of this Scheme Booklet, Swick has a total of 1,922,672 unquoted performance rights on issue (**Swick Performance Rights**). Under the Swick Mining Services Limited Performance Rights Plan (**Plan**), certain employees of Swick have been issued with Swick Performance Rights.

Swick Performance Rights were issued subject to the following vesting condition and expiry date:

MILESTONE	EXPIRY DATE
The holder being a director or employee of Swick or a Subsidiary of Swick at 30 June 2022 and the 60-day VWAP up to and including 30 June 2022 equalling or exceeding \$0.30.	5.00pm (WST) on 30 September 2022

Where

60-day VWAP means the volume weighted average market price of the Swick Shares calculated over 60 consecutive trading days on which the Swick Shares have traded.

Subject to the vesting condition being satisfied, a Swick Performance Right entitles the holder to be issued with 1 Swick Share, except where the Swick Performance Right contains a term which allows for automatic vesting and conversion upon a change of control event occurring and such change of control event occurs (as explained below).

Other than in relation to the 988,369 Swick Performance Rights issued to Mr Kent Swick (as further explained below), to ensure that Swick complies with clause 8 of the Scheme Implementation Agreement, Swick confirms that:

- + it will accelerate the vesting of, or waiving of any vesting conditions or vesting periods applying to, the Swick Performance Rights; and
- + it will issue or procure the issue or transfer of such number of Swick Shares as required by the terms of the Swick Performance Rights before the Record Date, so that the holders of Swick Performance Rights can participate in the Scheme and receive the Scheme Consideration,

(the **Performance Rights Proposal**).

Other than in relation to the 988,369 Swick Performance Rights issued to Mr Kent Swick (see further below), under the terms of the Swick Performance Rights, all outstanding Swick Performance Rights that have not otherwise vested will automatically vest on the occurrence of certain change of control events, including the approval of a merger by way of a scheme of arrangement by the Court. Following vesting upon the occurrence of a change of control event, each holder of the relevant Swick Performance Rights can elect to convert their vested Swick Performance Rights to Swick Shares. Accordingly under the current terms, other than in relation to the 988,369 Swick Performance Rights issued to Mr Kent Swick (see further below), the Swick Performance Rights will automatically vest and convert to Swick Shares upon the Court granting orders approving the Scheme on the Second Court Date (**Vesting Date**).

The issue of 988,369 Swick Performance Rights held by Mr Kent Swick approved by Swick Shareholders at Swick's 2021 annual general meeting held on 5 November 2021 does not include a term allowing for accelerated vesting upon a change of control event. As a result, Mr Kent Swick and Swick entered into a cancellation deed on 13 December 2021, whereby both parties agree that the Swick Performance Rights held by Mr Kent Swick will be cancelled subject and conditional upon, and shall take immediate effect upon the Court approving the Scheme on the Second Court Date.

Therefore, assuming that the Court approves the Scheme at the Second Court Hearing, 934,303 Swick Performance Rights would vest and be converted into Swick Shares on the Vesting Date, which would be distributed pro rata to Mr Jitu Bhudia and Mr Nicholas Rossides (each a Swick Performance Right Holder) and 988,369 Swick Performance Rights held by Mr Kent Swick will be cancelled for nil consideration. Swick Shares issued on exercise will be exchanged for New DDH1 Shares under the Scheme.

See section 13.10 for further information regarding the Swick Performance Rights held by the directors and officers of Swick.

5. OVERVIEW OF THE SCHEME

5.11 Fractional entitlements

If, pursuant to the Scheme, a Scheme Shareholder becomes entitled to a fraction of a New DDH1 Share, the number of New DDH1 Shares issued (or, in the case of Ineligible Overseas Shareholders, the number of New DDH1 Shares the Sale Agent will receive for sale on their behalf) will be rounded up or down, with any such fractional entitlement of less than 0.5 being rounded down to the nearest whole New DDH1 Share and any such fractional entitlement of 0.5 or more being rounded up to the nearest whole New DDH1 Share.

Accordingly, Scheme Shareholders entitled to less than 0.5 of a New DDH1 Share will be rounded down to nil New DDH1 Shares. To avoid receiving nil New DDH1 Shares in such circumstances, those Scheme Shareholders are urged to consider purchasing additional Swick Shares prior to the Record Date. Alternatively, those Scheme Shareholders may wish to sell their Swick Shares prior to the Record Date in order to receive value for their Swick Shares.

5.12 Warning against Swick Share splitting

If DDH1 reasonably believes that two or more Scheme Shareholders have, before the Record Date, been a party to shareholding splitting or division in an attempt to obtain an unfair advantage in relation to the rounding referred to in section 5.11, then DDH1 may give notice to those Scheme Shareholders:

- + setting out their names and Registered Addresses as shown in the Swick Share Register;
- + stating that opinion; and
- + attributing to one of them specifically identified in the notice the Scheme Shares held by all of them,

and, after such notice has been given, the Scheme Shareholder specifically identified in the notice as the deemed holder of all of the specified Scheme Shares will, for the purposes of the other provisions of the Scheme, be taken to hold all of those Scheme Shares and each of the other Scheme Shareholders whose names and registered addresses are set out in the notice will, for the purposes of the other provisions of the Scheme, be taken to hold no Scheme Shares. DDH1 in complying with the other provisions of the Scheme relating to it in respect of the Scheme Shareholder specifically identified in the notice as the deemed holder of all of the specified Scheme Shares, will be taken to have satisfied and discharged its obligations to the other Scheme Shareholders named in the notice under the terms of the Scheme.

5.13 Warranties given by Scheme Shareholders

Each Scheme Shareholder is deemed to have warranted to DDH1 and DDH1 FinCo and, to the extent enforceable, appointed and authorised Swick as its agent to warrant to DDH1 and DDH1 FinCo that all their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) will, at the date of the transfer of them to DDH1 FinCo, be fully paid and free from all security interests including mortgages, charges, liens, encumbrances, pledges, Security Interests and interests of third parties of any kind, whether legal or otherwise, and from any restrictions on transfer of any kind, and that it has full power and capacity to sell and to transfer those Scheme Shares together with any rights and entitlements attaching to such shares to DDH1 FinCo under the Scheme.

5.14 If the Scheme does not proceed

If the Scheme does not proceed, Swick Shareholders will continue to hold Swick Shares and will not receive the Scheme Consideration. In the absence of any Superior Proposal to the Scheme, Swick will continue as a standalone entity listed on the ASX. Swick Shareholders will be exposed to the risks relating to Swick's business set out in section 6.14. Swick Shareholders may, in addition to the normal risks it faces, be exposed to the additional risks as described in section 9.3.

Swick Directors are of the opinion that, if the Scheme does not proceed, the price of a Swick Share on the ASX is likely to fall.

Depending on the reasons why the Scheme does not proceed, Swick may be liable to pay a Break Fee to DDH1. The Break Fee is not payable if the Scheme does not proceed merely because the Requisite Majority of Swick Shareholders do not vote in favour of the Scheme. Further information in relation to the Break Fee is set out in section 12.8. Swick will also be liable to pay certain transaction costs in relation to the Scheme, regardless of whether or not the Scheme is implemented.

6. PROFILE OF SWICK

This section of the Scheme Booklet contains information in relation to Swick as at the date of the Scheme Booklet. Additional information is included in the Independent Expert's Report set out in Annexure A to this Scheme Booklet.

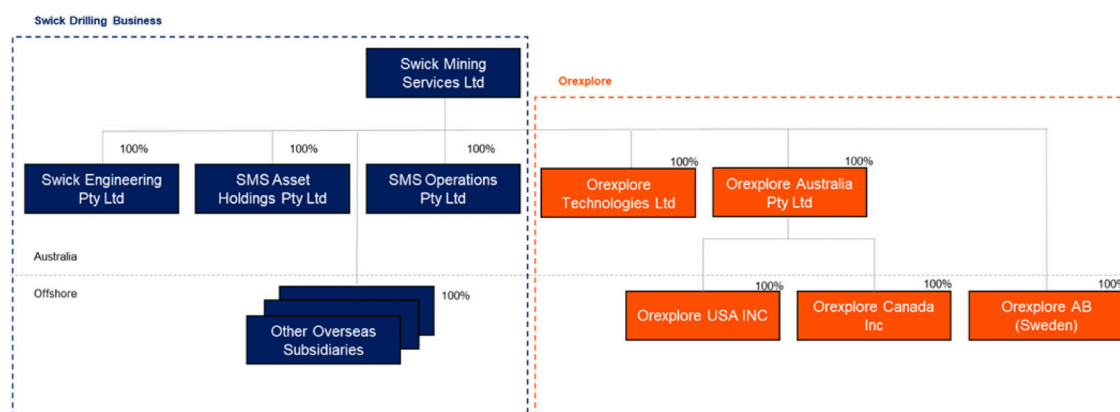
6.1 Introduction

Swick Mining Services Limited (ASX: SWK) (**Swick**) is an ASX-listed company which was formed on 11 February 2005 and was subsequently admitted to the official list of the ASX on 30 October 2006. Swick 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.

Further information can be found at www.swickmining.com and in the Independent Expert's Report set out in Annexure A to this Scheme Booklet.

6.2 Overview of Swick's business

The corporate structure of Swick as at the date of the Scheme Booklet is shown below:



Swick 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 of \$154.1 million and EBITDA of \$30.4 million in the year to 30 June 2021, including the discontinued RC Drilling business.

The Swick Drilling Business comprises of the Underground Diamond Drilling, Swick Engineering and Futures divisions.

Swick uses the Swick Mobile Diamond Drill to provide underground diamond drilling services. The Swick Mobile Diamond Drill is able to drill steep up-holes and can cover the full scope of drilling from grade control to deep exploration wire line drilling.

Swick Engineering manufactures and sells its world class Mobile Diamond Drills and related parts to external customers in Australia and international regions. The division also provides aftermarket support to its customers.

The Futures division is the research and development arm of the business and is currently working on two key development projects namely the development of the Swick Gen3 E-rig and the development of Remote Controlled Drilling (**RCD**) solutions.

6. PROFILE OF SWICK

(b) Mineral Technology Business (Orexpl ore 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 Swick 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, Swick has incorporated a number of entities as it started to commercialise this mineral analysis technology.

The Orexplore Business 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.

6.3 Demerger of the Orexplore Business and In-Specie Distribution

In conjunction with the Transaction, Swick intends to complete the demerger of the Orexplore Business to be implemented pursuant to the Demerger Agreement, under which the Orexplore Business will be transferred to Orexplore, which will, in turn, seek admission to the official list of ASX (**Demerger**). Pursuant to Swick's obligations under the Scheme Implementation Agreement, prior to the Delivery Time, Swick must undertake all steps required to give effect to, or otherwise be in a position to give effect to, the Demerger on or before the Implementation Date.

Implementation of the Demerger is subject to satisfaction of the Demerger Conditions, one of which is the approval of the Demerger by the Requisite Majority of Swick Shareholders which will be sought at the Demerger Meeting to be held on 22 December 2021. The Scheme is also conditional upon the abovementioned approval being sought at the Demerger Meeting, and thus will not become Effective if the Requisite Majority of Swick Shareholders do not approve the Demerger unless the Scheme Condition is waived by DDH1.

On 12 November 2021, Swick and Orexplore entered into the Demerger Agreement 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 Agreement is that Orexplore will acquire the Orexplore Business in consideration for Orexplore issuing to Swick 93,913,541 fully paid ordinary shares in Orexplore (**New Orexplore Shares**) at a deemed issue price of \$0.25 per New Orexplore Share.

Following completion of the Demerger and subject to approval of the Demerger by the Requisite Majority of Swick Shareholders at the Demerger Meeting, Swick will distribute approximately 93,913,641 New Orexplore Shares to Swick Shareholders (other than Ineligible Overseas Shareholders), on the basis of one (1) New Orexplore Share for every three (3) Swick Shares held by them at the Demerger Record Date as an in-specie distribution (**In-Specie Distribution**). Ineligible Overseas Shareholders will not be issued New Orexplore Shares and will instead receive the sale proceeds of the New Orexplore Shares they would otherwise have been entitled to be transferred under the In-Specie Distribution free of any brokerage costs or stamp duty, but after excluding any interest and deducting any applicable withholding tax.

The Demerger Agreement sets out the following conditions to the completion of the Demerger which must be met or waived on or before 12 August 2022:

- (a) Swick obtaining Swick Shareholder approval under the Corporations Act and ASX Listing Rules for the In-Specie Distribution; and
- (b) Orexplore obtaining a conditional admission letter from ASX on terms satisfactory to the Orexplore Directors, acting reasonably, which, once satisfied, will result in ASX admitting Orexplore to the Official List of the ASX, (together, the **Demerger Conditions**).

In connection with the Demerger, Orexplore will undertake the priority offer which is an offer to eligible Swick Shareholders who hold Swick Shares as at the relevant record date to apply for a minimum of 4,000,000 Orexplore Shares at an issue price of \$0.25 each to raise a minimum of \$1,000,000 (before costs), with Orexplore having the right to accept oversubscriptions up to a further 6,000,000 Orexplore Shares at \$0.25 each to raise up to a further \$1,500,000 (before costs) (**Priority Offer**).

If the Demerger is approved by the Requisite Majority of Swick Shareholders, the In-Specie Distribution of New Orexplore Shares is expected to be made to Swick Shareholders on Friday, 7 January 2022.

Swick Shareholders will be provided with updates regarding the Demerger on the ASX announcements platform, and each Swick Shareholder should review any announcements for status and developments regarding the Demerger.

6. PROFILE OF SWICK

6.4 Directors of Swick

The directors of Swick as at the date of this Scheme Booklet are as follows:

NAME AND POSITION	BIOGRAPHY
Mr Andrew Simpson Non-Executive Chairman	<p>Grad Dip (Bus), MAICD</p> <p>Mr Simpson is a senior marketing executive with extensive global marketing experience in the resource and mining industry, including more than 30 years of international marketing and distribution of minerals and metals. He is currently the Managing Director of Resource & Technology Marketing Services Pty Ltd, a company providing specialist marketing and business assessment advisory services to the mineral resources and technology industries, both in Australia and internationally.</p> <p>Mr Simpson graduated from Curtin University holding a Graduate Diploma in Business and Administration (majoring in Marketing and Finance). He has also completed the Advanced Management Program at the University of Western Australia and is a Member of the Australian Institute of Company Directors.</p> <p>Mr Simpson was appointed as a Director of Swick on 24 October 2006.</p> <p>In the past three years, Mr Simpson has held the position of non-executive chairman of Symbol Mining Ltd (ASX: SL1) (19 December 2017 to 5 February 2021) and non-executive director of Vital Metals Ltd (ASX: VML) (23 February 2005 to 16 November 2018).</p>
Mr Kent Swick Managing Director	<p>B.Eng (Mech)</p> <p>Mr Swick is a Mechanical Engineer with over 30 years' experience in civil construction, mining maintenance and surface and underground mineral drilling. He 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.</p> <p>Mr Swick founded Swick Mining Services initially as an underground longhole drilling contractor before moving into underground diamond drilling and RC drilling. Mr Swick was the driving technical force behind the design of Swick's innovative underground diamond drill rig and award winning surface reverse circulation drill rig.</p> <p>He 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 was appointed as a director of Swick on 24 October 2006.</p> <p>In the past three years, Mr Swick has not held directorships in any other listed entities.</p> <p>Mr Swick is a non-executive director of Oreplore.</p>

6. PROFILE OF SWICK

NAME AND POSITION	BIOGRAPHY
<p>Mr Ian McCubbing Non-Executive Director</p>	<p>B.Com (Hons), MBA (Ex), CA, GAICD</p> <p>Mr McCubbing is a Chartered Accountant with more than 35 years' experience, principally in the areas of accounting, corporate finance and mergers and acquisition. He spent more than 15 years working with ASX200 and other listed companies in senior finance roles, including positions as Finance Director and Chief Financial Officer in mining and industrial companies.</p> <p>Mr McCubbing was appointed as a director of Swick on 1 August 2010.</p> <p>Mr McCubbing is currently non-executive chairman of Prominence Energy Ltd (ASX: PRM) and Rimfire Pacific Mining NL (ASX: RIM).</p> <p>In the past three years, he was the non-executive director of Symbol Mining Ltd (ASX: SL1) (19 December 2017 to 28 February 2019) and Avenira Ltd (ASX: AEV) (20 December 2012 to 31 January 2019).</p>
<p>Mr Stuart Carmichael Non-Executive Director</p>	<p>B.Com, CA</p> <p>Mr Carmichael is a Chartered Accountant with over 20 years' experience across various industry sectors and jurisdictions including Australia, USA, United Kingdom and the Middle East. Mr Carmichael is a principal and director of Ventnor Capital and Ventnor Securities which specialises in the provision of corporate finance and equity capital markets advice to small and mid-cap ASX listed companies including initial public offerings, capital raisings, corporate restructures and mergers and acquisitions.</p> <p>Mr Carmichael was appointed as a director of Swick on 1 August 2019.</p> <p>Mr Carmichael is currently non-executive director of Harvest Technology Group Limited (ASX: HTG), ClearVue Technologies Limited (ASX: CPV), and De.Mem Limited (ASX: DEM). He is currently non-executive chairman of Schrole Group Limited (ASX: SCL) and K-TIG Limited (ASX: KTG).</p> <p>Mr Carmichael is a non-executive director of Oreplore.</p>
<p>Dr Alan Bye Non-Executive Director</p>	<p>BSc, BSc Hons, PhD</p> <p>Dr Bye has more than 20 years' experience in senior operational and strategic roles in the resources industry working in 15 countries covering 9 commodities. Dr Bye has a mining operational background and has a PhD in mining engineering and is a fellow of the Academy of Technology Science and Engineering (FTSE).</p> <p>He was most recently Vice President Technology at BHP and in his global role he was accountable for execution of major innovation programs across five commodity value chains covering both digital and extractive technologies.</p> <p>Dr Bye was appointed as a director of Swick on 8 November 2019.</p> <p>In the past three years, Dr Bye has not held directorships in any other listed entities.</p> <p>Dr Bye is the non-executive chairman of Oreplore.</p>

6. PROFILE OF SWICK

6.5 Financial information

The following information has been extracted from the audited financial statements of Swick for the financial years ended 30 June 2021, 30 June 2020 and 30 June 2019.

The financial information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the AASB and the Corporations Act.

The financial information presented in the tables below does not represent complete financial statements and should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements. Where appropriate, adjustments have been made to headings and classifications of historical data to provide a consistent basis of presentation.

In the interval between 30 June 2021 and the date of this Scheme Booklet, there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Swick Directors, to significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years, other than as otherwise disclosed in the 30 June 2021 financial statements and subsequent filings on the ASX.

If it proceeds, the Demerger will affect the financial position of Swick. Further information regarding the Demerger is set out in the Notice of Demerger Meeting dispatched to Swick Shareholders on 22 November 2021 and announced on ASX on 23 November 2021 (as amended by the addendum to the notice of demerger meeting dated 6 December 2021 and announced on ASX on 7 December 2021). Among other things, the Notice of Demerger Meeting sets out the financial effect of the Demerger on Swick, including the pro forma financial position of Swick upon completion of the Demerger. Further information regarding the Demerger is also set out in section 6.3.

Swick's audited financial statements for the financial year ended 30 June 2021 are included in its Annual Report for the year ended 30 June 2021, which is available on Swick's website (www.swickmining.com). Copies will also be provided by Swick, free of charge, to any Swick Shareholder who requests it before the Scheme Meeting.

6. PROFILE OF SWICK

(a) Statement of financial position

Set out below is Swick's statement of financial position as at 30 June 2021, 30 June 2020 and 30 June 2019, inclusive of Orexplore.

AS AT 30 JUNE	2021 \$000	2020 \$000	2019 \$000
Assets			
Current assets			
Cash	15,108	12,556	11,257
Restricted cash	-	173	296
Trade and other receivables	23,239	16,216	17,866
Inventories	21,682	19,280	14,259
Prepayments	2,496	1,609	1,474
Current tax asset	-	-	127
Total current assets	62,525	49,834	45,279
Non-current assets			
Property, plant and equipment	61,790	74,420	81,590
Intangible assets	12,609	12,151	12,196
Financial assets classified as FVOCI	1,815	1,815	1,630
Deferred tax assets	-	-	249
Right-of-use assets	8,285	9,714	-
Total non-current assets	84,499	98,100	95,665
Total assets	147,024	147,934	140,944
Liabilities			
Current liabilities			
Trade and other payables	18,788	13,402	17,890
Current tax liability	1,717	280	156
Deferred revenue	-	173	296
Borrowings	2,485	2,471	2,902
Provisions	6,144	5,683	5,633
Total current liabilities	29,134	22,009	26,877
Non-current liabilities			
Borrowings	23,998	30,068	26,742
Provisions	411	413	495
Deferred tax liabilities	3,721	3,081	2,147
Total non-current liabilities	28,130	33,562	29,384
Total liabilities	57,264	55,571	56,261
Net assets	89,760	92,363	84,683
Equity			
Issued capital	92,166	95,415	79,446
Reserved shares	(945)	(837)	(777)
Reserves	1,319	3,275	3,174
(Accumulated losses)/retained earnings	(2,780)	(5,490)	2,840
Total equity	89,760	92,363	84,683

6. PROFILE OF SWICK

(b) Statement of comprehensive income

Set out below is Swick's statement of comprehensive income for the periods ended 30 June 2021, 30 June 2020 and 30 June 2019, inclusive of Orexplore.

FOR THE YEAR ENDED 30 JUNE	2021 \$000	2020 \$000	2019 \$000
Continuing operations			
Revenue	150,106	143,332	137,749
Other income	947	1,505	1,712
Raw materials and consumables used	(31,616)	(25,365)	(24,630)
Employee benefits expense	(79,340)	(80,942)	(70,884)
Depreciation of property, plant and equipment and amortisation of intangibles assets	(14,817)	(20,621)	(20,113)
Depreciation of right-of-use assets	(1,507)	(1,498)	-
Finance costs	(901)	(1,197)	(1,464)
Interest on lease liabilities related to right-of-use assets	(300)	(334)	-
Other expenses	(15,792)	(17,587)	(17,090)
Profit/(loss) before income tax from continuing operations	6,780	(2,707)	5,280
Income tax expense	(2,702)	(2,207)	(2,713)
Net profit/(loss) after tax from continuing operations	4,078	(4,914)	2,567
Discontinued operations			
Net profit/(loss) after tax from discontinued operations	840	(1,113)	(1,529)
Net profit/(loss) after tax	4,918	(6,027)	1,038
Profit/(loss) for the year attributable to:			
Owners of Swick	4,918	(6,027)	1,038
	4,918	(6,027)	1,038
Other comprehensive income:			
Items that may be reclassified subsequently to profit and loss:			
Exchange differences on translating foreign controlled entities	(1,973)	(183)	272
Items that can not be reclassified subsequently to profit and loss:			
Net fair value gain on FVOCI equity investments	-	130	-
Other comprehensive income/(loss) for the year, net of tax	(1,973)	(53)	272
Total comprehensive income/(loss) for the year attributable to the owners of Swick	2,945	(6,080)	1,310

6. PROFILE OF SWICK

(c) Statement cash flows

Set out below is Swick's statement of cash flows for the years ended 30 June 2021, 30 June 2020 and 30 June 2019, inclusive of Orexplora.

FOR THE YEAR ENDED 30 JUNE	2021 \$000	2020 \$000	2019 \$000
Cash flows from operating activities			
Receipts from customers	159,981	162,622	153,276
Receipts of government grants	322	356	478
Payments to suppliers and employees	(141,536)	(150,938)	(128,612)
Income tax paid	(1,035)	(104)	(89)
Interest paid	(1,201)	(1,531)	(1,464)
Net cash provided by operating activities	16,531	10,405	23,589
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	1,293	74	101
Purchase of property, plant and equipment	(5,994)	(11,750)	(21,531)
Payments for development costs	(1,564)	(1,887)	(1,515)
Investment income	150	136	132
Proceeds from sale of discontinued operations	5,300	-	-
Net cash used in investing activities	(815)	(13,427)	(22,813)
Cash flows from financing activities			
Proceeds from borrowings	-	16,000	-
Repayment of borrowings	(7,747)	(25,255)	(777)
Proceeds from issue of capital	-	16,890	-
Transaction costs on share issue	-	(818)	-
Share buy back payments	(3,192)	(348)	-
Transaction costs on share buy backs	(8)	(1)	-
Dividends paid by parent entity	(2,208)	(2,303)	-
Purchase of own shares	(108)	(60)	(110)
Net cash (used in)/provided by financing activities	(13,263)	4,105	(887)
Net increase in cash and restricted cash	2,453	1,083	(111)
Cash and restricted cash at beginning of financial year	12,729	11,553	11,461
Effects of exchange rate changes on cash	(74)	93	203
Cash and restricted cash at the end of the financial year	15,108	12,729	11,553

6. PROFILE OF SWICK

6.6 Material changes to the financial position of Swick since 30 June 2021

Swick's Annual Report for the year ended 30 June 2021 was released to the ASX on 30 August 2021. To the knowledge of the Swick Directors, the financial position of Swick has not materially changed since 30 June 2021, as reported in Swick's Annual Report for that period, other than:

- (a) as disclosed in this Scheme Booklet or as otherwise disclosed to the ASX by Swick; and
- (b) in accordance with generally known market conditions.

If it proceeds, the Demerger will affect the financial position of Swick. Further information regarding the Demerger is set out in the Notice of Demerger Meeting dispatched to Swick Shareholders on 22 November 2021 and announced on ASX on 23 November 2021 (as amended by the addendum to the notice of demerger meeting dated 6 December 2021 and announced on ASX on 7 December 2021). Among other things, the Notice of Demerger Meeting sets out the financial effect of the Demerger on Swick, including the pro forma statement of financial position of Swick upon completion of the Demerger. Further information regarding the Demerger is also set out in section 6.3.

An electronic copy of Swick's Annual Report for the year ended 30 June 2021 is available on the ASX's website (www.asx.com.au) under ASX code "SWK" or on Swick's website (www.swickmining.com).

6.7 Forecast Financial Information

Swick has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information. Swick has concluded that, as at the date of the Scheme Booklet, it would be misleading to provide forecast financial information, as a reasonable basis does not exist for providing financial forecasts that would be sufficiently meaningful and reliable as required by applicable law, policy and market practice.

6.8 Swick's issued securities

As at the date of this Scheme Booklet, Swick has the following securities on issue:

- (a) 281,740,622 Swick Shares; and
- (b) 1,922,672 unquoted Swick Performance Rights.

In accordance with the ASX Listing Rule 6.23.2 Waiver, all of the Swick Warrants previously on issue were cancelled for consideration (being the Warrant Consideration) without requiring Swick Shareholder approval to be obtained. Swick cancelled Swick Warrants and paid the Warrant Consideration upon receiving the ASX Listing 6.23.2 Waiver on 26 November 2021. The Swick Performance Rights (excluding the 988,369 Swick Performance Rights held by Mr Kent Swick which will be cancelled pursuant to the Cancellation Deed) will convert into Swick Shares prior to the Record Date upon the Court approving the Scheme, which will result in an increase in the number of Swick Shares on issue.

See sections 5.9 and 5.10 for details of the treatment of the Swick Warrants and the Swick Performance Rights (respectively) under the Scheme.

6. PROFILE OF SWICK

6.9 Substantial Swick Shareholders

Based on information lodged with the ASX or known to Swick, the substantial shareholders (5% or more) of Swick Shares as at the Last Practicable Date, are as follows:

SUBSTANTIAL SWICK SHAREHOLDER	NUMBER OF SWICK SHARES HELD	VOTING POWER
Perennial Value Management Limited	35,499,802 ¹	12.60%
Mr Kent Swick	33,452,616 ²	11.87%
Castle Point Funds Management	25,417,393 ³	9.02%
Circle 5 Management Pty Ltd	23,336,171 ⁴	8.28%
Salter Brothers Asset Management	17,140,623 ⁵	6.08%
Westoz Funds Management Pty Ltd	14,100,000 ⁶	5.00%

Notes:

- Swick Shares held indirectly via National Nominees Limited.
- Swick Shares held as follows:
 - 13,182,410 Swick Shares held directly by Mr Kent Swick;
 - 13,182,410 Swick Shares held indirectly via Tanya Michelle Swick, Mr Swick's spouse;
 - 1,208,664 Swick 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
 - 5,879,132 Swick Shares held indirectly via Kent Jason Swick & Tanya Michelle Swick ATF Swick Super Fund A/C, of which Mr Swick is a beneficiary.
- Swick Shares held as follows:
 - 23,639,680 Swick Shares held indirectly via National Nominees Limited; and
 - 1,777,713 Swick Shares held indirectly via BNP Paribas Nominees (NZ) Limited.
- Swick Shares held directly by Circle 5 Management Pty Ltd.
- Swick Shares held indirectly via Bond Street Custodians Limited.
- Swick Shares held indirectly via Zero Nominees Pty Limited.

6.10 Interests of Swick Directors and DDH1 Directors in Swick securities

As at the date of this Scheme Booklet, Swick Directors have Relevant Interests in the following Swick securities.

SWICK DIRECTOR	SWICK SHARES	SWICK PERFORMANCE RIGHTS ¹
Mr Andrew Simpson ² (Non-Executive Chairman)	648,478	-
Mr Kent Swick ³ (Managing Director)	33,452,616	988,369
Mr Ian McCubbing ⁴ (Non-Executive Director)	536,956	-
Mr Stuart Carmichael (Non-Executive Director)	-	-
Dr Alan Bye (Non-Executive Director)	-	-
Total	34,638,050	988,369

Notes:

- See section 5.10 for details of the treatment of Swick Performance Rights under the Scheme.
- Swick Shares held indirectly via Southern Silicon Pty Ltd, of which Mr Simpson is a director and shareholder.
- Swick Performance Rights held directly by Mr Kent Swick.
- Swick Shares held as follows:
 - 150,000 held indirectly via Anderby (Qld) Pty Ltd, of which Mr McCubbing is a director and shareholder;
 - 286,956 held indirectly via HSBC Custody Nominees (Australia) Limited on behalf of B.I.M.H. Pty Ltd ATF Union Street Super Fund A/C. Mr McCubbing is a director, shareholder and beneficiary of B.I.M.H. Pty Ltd ATF Union Street Super Fund A/C; and
 - 100,000 held indirectly via B.I.M.H. Pty Ltd ATF Union Street Super Fund A/C, of which Mr McCubbing is a director, shareholder and beneficiary.

As at the date of this Scheme Booklet, no DDH1 Director has a Relevant Interest in any Swick securities.

6. PROFILE OF SWICK

6.11 Swick Share trading history

On the Last Practicable Date, the closing price of Swick Shares on the ASX was \$0.370.

During the 3 month period up to and including the Last Practicable Date, the highest and lowest closing market sale prices of Swick Shares on the ASX were, respectively, \$0.390 on 24 and 25 November 2021 and \$0.245 on 10 September 2021.

Set out below is the volume weighted average price (VWAP) of Swick Shares for various periods up to and including the Last Practicable Date:

	10 DAYS	20 DAYS	30 DAYS	90 DAYS
VWAP	\$0.3745	\$0.3767	\$0.3691	\$0.3108

6.12 Swick announcements and reports

As a disclosing entity, Swick is subject to the periodic and continuous disclosure and reporting requirements of the Corporations Act and ASX Listing Rules. Specifically, as a listed company, Swick is subject to the ASX Listing Rules which require continuous disclosure of any information Swick has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

Swick announcements are available on its website (www.swickmining.com) as well as the ASX website (www.asx.com.au). Further announcements concerning developments at Swick may be made and placed on these websites after the date of this Scheme Booklet.

In addition, Swick is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC in relation to Swick may be obtained from, or inspected at an ASIC office.

Swick will provide an electronic copy of each of the following documents, free of charge, to anyone who asks for them before the Scheme is approved by the Court. The following documents can also be obtained from the ASX website (www.asx.com.au) or from the Swick website (www.swickmining.com):

- (a) the Annual Financial Report of Swick for the year ended 30 June 2021 (being the financial report most recently lodged with ASIC by Swick before lodgement of a copy of this Scheme Booklet with ASIC for registration); and
- (b) any continuous disclosure announcements made by Swick after the date of the lodgement of the annual report referred to above and before the lodgement of a copy of this Scheme Booklet with ASIC for registration.

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules, and which is required to be set out in this Scheme Booklet.

6. PROFILE OF SWICK

The following table lists all announcements made by Swick to the ASX since 30 August 2021 (being the date of lodgement of Swick's Annual Report for the year ended 30 June 2021).

DATE	ANNOUNCEMENT
16 December 2021	Court Orders Convening Scheme Meeting
10 December 2021	Orexplere webinar presentation
8 December 2021	Orexplere investor webinar
7 December 2021	Orexplere opens priority offer with designed prospectus
7 December 2021	Letter to shareholders - addendum to notice of meeting
7 December 2021	Addendum to notice of general meeting
1 December 2021	Appendix 3A.5
23 November 2021	Prospectus and notice of meeting lodged - Orexplore demerger
23 November 2021	Letter to shareholders - general meeting Orexplore demerger
23 November 2021	Notice of general meeting and short form prospectus
23 November 2021	Prospectus - Orexplore Technologies Limited
10 November 2021	Change of directors interest notice
10 November 2021	Notification regarding unquoted securities - SWK
5 November 2021	Results of annual general meeting
5 November 2021	AGM presentation
5 November 2021	AGM chairman's address
22 October 2021	DDH: DDH1 Investor Presentation - DDH1 to acquire Swick
22 October 2021	DDH: DDH1 and Swick Scheme Implementation Agreement
22 October 2021	Swick and DDH1 enter into Scheme Implementation Agreement
12 October 2021	Becoming a substantial holder
12 October 2021	DDH1: and Swick to create world-leading mineral driller
12 October 2021	Non-binding agreement reached for DDH1 to acquire Swick
4 October 2021	Notice of annual general meeting
8 September 2021	Change in substantial holding
31 August 2021	FY21 results conference call
30 August 2021	Appendix 4G and corporate governance statement
30 August 2021	FY-21 results investor presentation
30 August 2021	Media release - full year results
30 August 2021	Dividend/Distribution - SWK

6. PROFILE OF SWICK

6.13 Intentions of Swick Directors regarding Swick business, operations and employees on implementation of the Scheme

Following implementation of the Scheme, Swick will become a wholly-owned Subsidiary of DDH1 FinCo (which is a wholly-owned Subsidiary of DDH1). Given Swick will become a wholly-owned Subsidiary of DDH1, Swick Directors refer you to section 8.3 which sets out the intentions of DDH1 in relation to the Combined Group following implementation of the Scheme.

Should the Scheme not become Effective, Swick would continue to operate as a listed public company carrying on the business of underground mineral drilling under the leadership of the current senior management. Swick and Swick executive management would continue to assess corporate, asset and financial options available to Swick to enhance value for Swick Shareholders, as and when these potential opportunities arise.

6.14 Risk factors

Risk factors relating to Swick and its business are discussed in section 9.

6.15 Material events since 30 June 2021

Within the knowledge of Swick Directors and other than as disclosed in this Scheme Booklet including section 6.6 and the audited consolidated financial statements contained in section 6.5, there has not been any other material change in the financial position of Swick since 30 June 2021.

7. PROFILE OF DDH1

This section of the Scheme Booklet contains information in relation to DDH1 and DDH1 FinCo as at the date of the Scheme Booklet. Additional information is included in the Independent Expert's Report set out in Annexure A to this Scheme Booklet.

7.1 Overview of DDH1 Finco

DDH1 FinCo is an unlisted Australian proprietary company incorporated on 4 May 2018, and a wholly-owned subsidiary of DDH1.

DDH1 FinCo has entered into the transaction documents in connection with the Scheme, and will take other actions as are necessary to facilitate the implementation of the Scheme. Following implementation of the Scheme, DDH1 FinCo will acquire and hold all of the Swick Shares. DDH1 FinCo was also the purchasing entity of Ranger Exploration Drilling Pty Ltd and Izett Holdings Pty Ltd (comprising "Ranger Drilling").

As at the date of this Scheme Booklet, the directors of DDH1 FinCo are Sybrandt Van Dyk and Ben MacKinnon.

7.2 Overview of DDH1

(a) Introduction to DDH1

DDH1 Limited (**DDH1**) is an ASX listed Australian specialised mineral drilling company servicing the mining and exploration sectors. Headquartered in Perth, Western Australia, and led by an experienced and respected management team, DDH1 is an industry leader in deep hole directional drilling, reverse circulation and air core drilling.

DDH1 provides specialised mineral drilling services from three complementary drilling brands to clients throughout Australia. Each of DDH1's brands serves a different target market and offers distinct equipment and drilling methods:

- + **DDH1 Drilling** – provides Diamond Core drilling services which are mostly required for near mine exploration, mine development and production drilling activities, typically at greater depths (up to 3,000 metres) and with technical complexity. DDH1 Drilling also offers specialist engineering drilling services to deliver innovative solutions to the most technical drilling challenges.
- + **Strike Drilling** – provides Air Core and Reverse Circulation drilling services which are primarily used for earlier stage exploration drilling activities.
- + **Ranger Drilling** – primarily provides Reverse Circulation and Diamond Core drilling services to the Western Australian iron ore industry. Ranger Drilling's services have various applications across the mine life cycle.

(b) History of DDH1

DDH1 Drilling was founded in 2006 as a specialised Diamond Core drilling contractor beginning operations with one drilling rig. As at the end of September 2021, the company operates a fleet of 100 modern, highly-specified mineral drilling rigs.

From 2006 to the end of 2017, growth was primarily achieved organically through measured fleet expansion. In the recent downturn in the Australian mining sector, DDH1 continued to pursue rig fleet growth securing increased operational capacity in anticipation of the recent recovery in the drilling market.

DDH1 subsequently acquired Strike Drilling (founded in 2013) in June 2018, and Ranger Drilling (founded in 2005) in April 2019. These strategic acquisitions delivered the diversification objectives of the long term business plan.

7. PROFILE OF DDH1

(c) Overview of DDH1 key customer relationships and contracts

DDH1 had a diverse portfolio of approximately 94 mineral exploration and mining clients during FY2021 (102 customers during FY2020). Many of these clients are well-capitalised, with sufficient capital to reasonably withstand external shocks and maintain site exploration, development and production activity through the cycle.

DDH1's key customers include Newcrest, BHP Iron Ore, Evolution Mining, Gold Fields, Independence Group, Kalgoorlie Consolidated Gold Mines (KCGM), Newmont Goldcorp Australia, Ramelius Resources, Rio Tinto, Roy Hill Iron Ore and Northern Star Resources.

DDH1 enters into both short-term (up to three months) and long-term (up to three years) contracts.

A summary of the duration of DDH1's major customer relationships is shown in the table below.

Overview of DDH1 key customer relationships as at 30 September 2021

CUSTOMER	PERIOD OF CONTRACTED RELATIONSHIP(S)	CONTRACT WITH
BHP	7 years	Ranger Drilling, DDH1 Drilling
Evolution Mining	4 years	DDH1 Drilling
Gold Fields	12 years	DDH1 Drilling
Independence Group	6 years	DDH1 Drilling
KCGM	6 years	DDH1 Drilling
Newmont Goldcorp Australia	6 years	DDH1 Drilling
Ramelius Resources	6 years	Strike Drilling
Rio Tinto	9 years	Ranger Drilling
Roy Hill Iron Ore	9 years	Ranger Drilling
Northern Star Resources	10 years	DDH1 Drilling

7. PROFILE OF DDH1

d) DDH1 rig fleet

DDH1 currently operates Australia's largest surface fleet of modern, state-of-the-art drilling rigs with best-in-class safety standards supported by a professional and well-trained workforce.

DDH1 operate Australia's most standardised high-capacity Diamond Core surface drilling fleet which is capable of performing very deep, straight and directional drilling services to extract mineral core samples from depths of up to 3,000m. DDH1 also have specialist rigs for complex engineering work and a fleet of underground rigs capable of drilling under various conditions.

As at 30 September 2021, the DDH1 rig fleet is comprised as follows:

RIG TYPE	BUSINESS UNIT	NUMBER OF RIGS
Diamond Core – high capacity surface Sandvik DE840; DE880; Evolution 3000; UDR5000	DDH1 Drilling	45
Diamond Core – low capacity surface Sandvik DE710; UDR650	DDH1 Drilling	11
Diamond Core – underground Boart LM90; LM75	DDH1 Drilling	10
Diamond Core – energy & engineering Foremost 3000; WEI D75S	DDH1 Drilling	2
Dual-capability Air Core and Reverse Circulation SchrammT450; Austex X350	Strike Drilling	8
Reverse Circulation KWL700; Schramm T685	Strike Drilling	4
Air Core Austex X350	Ranger Drilling	1
Reverse Circulation SchrammT450; Hydco 350; DRA/RC600; Austex X350	Ranger Drilling	16
Diamond Core LF160 Diamond	Ranger Drilling	3
TOTAL		100

7. PROFILE OF DDH1

7.3 DDH1 Board and senior management

(a) DDH1 Board of Directors

As at the date of this Scheme Booklet, the DDH1 Board comprises the following directors:

NAME AND POSITION	BIOGRAPHY
<p>Diane Smith-Gander AO Chairperson and Independent Non-Executive Director</p>	<p>Diane has extensive Australian and international experience in banking and finance, technology, and strategic and management consulting. Prior to becoming a full-time company director in 2009, Diane enjoyed a successful executive career with Westpac Banking Corporation, primarily in banking operations, technology solutions and change management roles, and as a Partner with McKinsey & Company.</p> <p>Diane is also the Chairperson of Zip Co Limited (ASX:ZIP), the Safe Work Australia member body and the Committee for Economic Development of Australia, as well as a Non-Executive Director of AGL Energy Limited (ASX:AGL), Keystart Home Loans Group and HBF Health Limited.</p> <p>Diane is an Adjunct Professor in Corporate Governance at The University of Western Australia and Chair of The University of Western Australia Business School Advisory Board.</p> <p>In 2019, Diane was awarded an Officer of the Order of Australia (AO) for her distinguished service to business, women’s engagement in executive roles, gender equality, and the community.</p>
<p>Alan Broome AM Non-Executive Director</p>	<p>Alan has more than 40 years’ experience in the metals, mining and energy industries, accumulated through involvement with mining technology companies, government agencies and major international mining companies in promoting Australian mining and developing global trade.</p> <p>Alan is Chairperson of New Age Exploration Ltd (ASX: NAE), Strategic Minerals plc (AIM:SML) and Mustang Energy plc (LSE:MUST). He is also a Chairperson and/or Non-Executive Director of several Australian mining technology companies including Micromine Pty Ltd, UON Pty Ltd, Interlate Pty Ltd, Tait Asia Pacific Pty Ltd and Nuenz NZ Ltd.</p> <p>Alan is a Fellow of the Australian Institute of Company Directors and the Australasian Institute of Mining and Metallurgy, and a Chartered Fellow of the Institute of Directors New Zealand.</p> <p>Alan has been recognised by the Commonwealth with an Order of Australia (AM) for services to the mining technology sector and by the Australian Institute of Export as an “Export Hero”. The Australian Institute of Mining and Metallurgy has also awarded Alan with a President’s Award for services to the mining sector; and the inaugural Austmine Life Member Award for contribution to the mining equipment, technology and services sector.</p>
<p>Sybrandt (Sy) van Dyk Managing Director and Chief Executive Officer</p>	<p>Sy joined DDH1 as CEO in October 2018 and was appointed Managing Director in February 2021. Since joining DDH1, Sy has been instrumental in DDH1’s development and listing on the ASX.</p> <p>Sy has more than 30 years’ experience primarily within the resources sector and has held a number of senior operational roles, including as CEO and, prior to that, CFO of Macmahon Holdings (ASX:MAH), and COO and CFO of mining equipment distributor WesTrac Group.</p> <p>Sy’s career also spanned a number of senior positions within Kimberly-Clark in South Africa.</p> <p>Sy is a Non-Executive Director of Austin Engineering Limited (ASX:ANG).</p>

7. PROFILE OF DDH1

NAME AND POSITION	BIOGRAPHY
<p>Andrea Sutton Independent Non-Executive Director</p>	<p>Andrea has more than 20 years' operational, technical and corporate experience within the mining and minerals industry. Her prior roles included Managing Director and Chief Executive of Energy Resources of Australia and senior roles within Rio Tinto, including Head of Health, Safety, Environment and Security and Managing Director with the Support Strategy Review team.</p> <p>Andrea is a board member of Infrastructure WA and ANSTO, a Non-Executive Director of Red 5 Limited (ASX:RED) and Iluka Resources Limited (ASX:ILU), a member of the Australasian Institute of Mining and Metallurgy, Engineers Australia, the Australian Institute of Company Directors and Chief Executive Women.</p>
<p>Murray Pollock Non-Executive Director</p>	<p>Murray is a co-founder of DDH1 and has been instrumental in the establishment and development of DDH1.</p> <p>Murray has more than 50 years' experience within the mineral drilling sector. He is a pioneer of multiple intersection directional drilling and has introduced many of the engineered safety solutions that are now standard on multipurpose drill rigs throughout Australia.</p> <p>Murray helped form Corewell in 1979, which was listed on the ASX in 1987 with 10 rigs. Murray also formed Western Deephole in 1990 before selling to Drillcorp in 1997. He was a board member of Catalpa Mining until the company's merger with Conquest Mining to form Evolution Mining.</p> <p>Murray is a member of the Australian Institute of Company Directors.</p>
<p>Byron Beath Non-Executive Director</p>	<p>Byron is a Managing Director of Oaktree Capital Management and serves as a director of Oaktree Capital Australia Pty Ltd.</p> <p>Byron leads Oaktree's activities in Australia, which has included investments in a variety of sectors including resources, funds management, power and utilities, finance and wholesale distribution.</p> <p>Prior to joining Oaktree, Byron spent 15 years with Macquarie Group Limited where he was a division director in the Corporate and Asset Finance division.</p> <p>Byron currently serves as a director of the following Oaktree portfolio companies: Oaktree Capital Australia Pty Ltd, Argyle Capital Partners, Marlin Brands, January Capital and Fortitude Investment Partners.</p>

7. PROFILE OF DDH1

(b) DDH1 senior management team

As at the date of this Scheme Booklet, the DDH1 senior management team comprises the following team members:

NAME AND POSITION	BIOGRAPHY
Sybrandt (Sy) van Dyk Managing Director and Chief Executive Officer	As above.
Ben MacKinnon Chief Financial Officer	<p>Ben brings to DDH1 a strong ability to drive systems, process and accounting excellence across DDH1 while delivering operational and analytical insights to the senior leadership team.</p> <p>Ben has 15 years' finance experience in the construction and mining services industries. He was previously CFO of Force Equipment (acquired by Emeco) and Gavin Construction.</p> <p>Ben commenced his career at EY Perth after graduating from the University of Western Australia, and has been a Chartered Accountant since 2005.</p>
Andrew Venn Executive General Manager Corporate Services	<p>Andrew has more than 20 years' experience across the mining industry, bringing in-depth operational knowledge, customer relationships and corporate support critical to the business.</p> <p>Since joining DDH1 in 2013, he has held positions as Commercial Manager and Chief Operating Officer.</p> <p>Andrew previously held senior positions across financing and operations for Argonaut, Orica Mining Services and ICI Explosives.</p>
Mat Scarlett General Manager Operations DDH1 Drilling	<p>Mat has 19 years' experience in the drilling industry. He has been instrumental in the establishment and development of DDH1 Drilling and retains ongoing responsibility for the business' overall operational performance.</p> <p>Prior to his current role, Mat was responsible for planning and managing DDH1 Drilling's directional and engineering programs.</p>
Richard Bennett Managing Director Strike Drilling	<p>Richard has 34 years' experience in the exploration drilling industry. Richard joined DDH1 in June 2018 through DDH1's acquisition of Strike Drilling.</p> <p>Richard is the founder of Strike Drilling and retains ongoing responsibility for the operational and financial performance of the Strike Drilling entity.</p> <p>Prior to establishing Strike Drilling in 2013, Richard had a successful background in drilling contracting and equipment sales.</p>
Matt Izett Managing Director Ranger Drilling	<p>Matt has 34 years' experience in the drilling industry. Matt joined DDH1 in April 2019 through DDH1's acquisition of Ranger Drilling.</p> <p>Matt is the founder of Ranger Drilling and retains ongoing responsibility for the overall operational and financial performance of the Ranger Drilling entity.</p> <p>Prior to establishing Ranger Drilling in 2005, Matt held positions across operations and management at mining drilling equipment services and supplier SDS Ausminco and drilling company Drillex.</p>

7. PROFILE OF DDH1

7.4 Corporate governance

(a) Role of the DDH1 Board

DDH1 is committed to achieving best practice standards of corporate governance. The Board is responsible to shareholders for the overall strategy, governance and performance of DDH1. The DDH1 Board is currently comprised of six directors, including five non-executive directors and the managing director.

The DDH1 Board's primary roles are to demonstrate leadership and to provide overall strategic guidance for DDH1 and effective oversight of management in implementing DDH1's strategic objectives and instilling its values. The DDH1 Board is governed by a charter that sets out its authority, responsibilities and membership, and the arrangements by which it operates. The charter also describes those matters expressly reserved for the Board and those matters delegated to management.

Details of DDH1's key corporate documents and policies, and charters for the DDH1 Board and each of its committees, are available on DDH1's website (www.ddh1.com.au).

(b) DDH1 Board Committees

The DDH1 Board has established three standing committees to assist in the discharge of its responsibilities:

- + the Audit and Risk Committee, which assists the DDH1 Board in meeting its oversight responsibilities concerning DDH1's financial reporting, external audit functions, its risk management framework and compliance with related legal and regulatory requirements;
- + the People Committee, which assists the DDH1 Board by reviewing and making recommendations to the DDH1 Board on remuneration matters, including the structure, strategy and framework for executives' remuneration and incentives and review of DDH1's Annual Remuneration Report to shareholders; and
- + the Nominations Committee, which assists the DDH1 Board with all matters to do with the proper functioning of the DDH1 Board, including in relation to its ongoing composition and overall DDH1 Board operations.

Periodically, the DDH1 Board reviews the composition of each DDH1 Board committee. As and when required, the DDH1 Board may establish special purpose sub-committees to give detailed consideration to specific matters or projects.

(c) Composition, Selection and Appointment of the DDH1 Board

The Nominations Committee, which comprises all DDH1 Directors, was established to review the DDH1 Board composition and succession matters. This includes responsibility for reviewing and making recommendations to the DDH1 Board regarding the DDH1 Board size and composition, and identifying individuals believed to be qualified to become DDH1 Board members and recommend such candidates to the DDH1 Board.

In assessing potential candidates and in undertaking reviews of the size and composition of the DDH1 Board, the Nominations Committee considers the guiding principle that the DDH1 Board's composition should reflect an appropriate mix having regard to such matters as:

- + skills and experience across key areas (such as leadership, relevant industry experience, financial acumen, risk management and governance);
- + directors' tenure; and
- + diversity and inclusion.

(d) Remuneration Governance

The People Committee assists the DDH1 Board by reviewing and making recommendations to the DDH1 Board on remuneration matters, including the structure, strategy and framework for executives' remuneration and incentives, and review of DDH1's Annual Remuneration Report to DDH1 Shareholders. This includes:

- + considering the short-term and long-term incentive outcomes for executives;
- + reviewing changes in executives' salaries and at-risk remuneration incentives; and
- + oversight of equity incentive plans, approved by DDH1 Shareholders.

7. PROFILE OF DDH1

(e) The Role of Company Secretaries

The DDH1 Board is responsible for the appointment of the Company Secretary. The Board has appointed two Company Secretaries:

- + Ben MacKinnon – Ben joined the DDH1 Group as CFO in April 2018. He has responsibility for financial control, management of financial risks, treasury and financial reporting. Ben brings 19 years of financial experience in the construction and mining services industries. Ben holds a Bachelor of Commerce from The University of Western Australia and is a qualified Chartered Accountant. He was appointed as Company Secretary on 8 October 2019.
- + Darryl Edwards – Darryl is a chartered secretary with significant experience in corporate governance, risk and compliance across several ASX listed companies. He is a member of the Australian Institute of Company Directors and the Governance Institute of Australia. He was appointed as Joint Company Secretary on 4 March 2021.

The Company Secretaries are directly accountable to the Board, through the Chair, on all matters regarding the proper functioning of the DDH1 Board.

(f) Risk Management

The DDH1 Board recognises that effective risk management is critical to maintaining DDH1's reputation. The DDH1 Board is responsible for setting DDH1's risk appetite. It is also responsible for satisfying itself, at least annually, that management has developed and implemented a sound risk management system and internal controls.

Management is responsible for implementing the DDH1 Board-approved risk management framework and for managing DDH1's operations within the risk appetite set by the DDH1 Board. It is also responsible for identifying, managing, monitoring, mitigating and reporting material risks.

DDH1's approach to risk management system has been primarily focused on safety management using hazard identification tools and the risk management methodologies in ISO 31000:2018 Risk Management.

(g) Governance Policies

DDH1 has several governance policies to guide how it does business, including:

+ Code of Conduct

The Code of Conduct articulates the behaviour expected of DDH1's directors and employees, who are expected to align their actions with the Code and DDH1's values whenever they are representing DDH1. The Code is supported by several DDH1 policies that are reviewed regularly to ensure that they reflect any changes in law and otherwise remain fit for purpose. Through the People Committee, the DDH1 Board is informed of any material breaches of the Code.

+ Disclosure Policy

The Disclosure Policy establishes the procedure for compliance with DDH1's continuous disclosure obligations and provides guidance for the identification of material information and timely disclosure of DDH1's activities to the market.

+ Securities Trading Policy

The Securities Trading Policy prohibits DDH1 Directors, employees, contractors, and their related parties, from dealing in DDH1 securities if they are in possession of price-sensitive information, and provides for closed periods during which directors and certain employees are prohibited from trading DDH1 Shares. Through the Audit and Risk Committee, the DDH1 Board is informed of any material breaches under the Policy.

+ Shareholder Communication Policy

DDH1 aims to keep DDH1 Shareholders and other stakeholders informed of major developments affecting the state of affairs of DDH1 in a timely and readily accessible manner. The DDH1 Board has adopted a Shareholder Communication Policy in order to facilitate this aim and to promote effective communication with DDH1 Shareholders and other stakeholders and to encourage and facilitate participation at DDH1's annual general meetings and to deal promptly with the enquiries of DDH1 Shareholders and other stakeholders. Information will be disclosed to the ASX in accordance with the ASX Listing Rules and by publishing information on DDH1's website.

7. PROFILE OF DDH1

+ Risk Management Policy

The Risk Management Policy aims to support DDH1's risk management framework and outlines DDH1's commitment to sound risk management practices aligned to regulatory and shareholder requirements. The Policy also sets out the DDH1 Board's risk appetite relating to the health, safety and wellbeing of DDH1's workforce, the environment, community, reputational risks, project delivery, and legislative compliance breaches.

+ Occupational Health and Safety Policy

The Health and Safety Policy provides DDH1's commitment to a healthy and safe workplace for all employees, contractors, customers, and the community, while seeking to minimise impacts of injuries. Health and safety is also a critical area of focus for the DDH1 Board, with the DDH1 Board regularly briefed on safety performance, strategies to improve safety performance and awareness, and employee and contractor physical and mental wellbeing.

+ Environmental Policy

The DDH1 Board has established an Environmental Policy, which encourages the business to take a proactive approach to its sustainability efforts in areas that matter to the business, including to manage environmental and climate change impacts, minimise DDH1's carbon footprint, and increase DDH1's attractiveness to investors, employees, and other stakeholders.

+ Anti-Bribery and Anti-Corruption Policy

The Anti-Bribery and Anti-Corruption Policy sets out DDH1's zero tolerance for any bribery or corruption in its business dealings and operations. Through the Audit and Risk Committee, the DDH1 Board is informed of any material incidents reported under the Policy.

+ Diversity and Inclusion Policy

The Inclusion and Diversity Policy sets out DDH1's approach to inclusion and diversity. The Policy is underpinned by the principles that the workplace promotes equal opportunity and diversity, allows employees to reach their potential, and is free from discrimination, harassment, and bullying. The People Committee is responsible for reviewing the Inclusion and Diversity Policy and strategy, overseeing compliance with equal opportunity and anti-discrimination legislation, and ensuring that DDH1 is able to attract and retain an inclusive and diverse selection of employees.

+ Human Rights Policy

DDH1 supports the protection of fundamental human rights and freedoms, including eliminating all forms of slavery, forced labour, trafficking in persons, child labour and deceptive recruiting for labour or services. The DDH1 Human Rights Policy aims to limit the risk of human rights abuses in our operations and supply chains.

+ Supply Chain Code of Conduct

DDH1 has a Supply Chain Code of Conduct which sets out the minimum ethical expectations of suppliers and contractors who work with DDH1 and its Subsidiaries.

+ Whistleblower Policy

The Whistleblower Policy encourages DDH1 Directors, employees, contractors and suppliers to report any concerns about actual or suspected wrongdoing and improper conduct, and ensures whistleblower confidentiality and protection. The Policy also sets out how DDH1 will respond to and investigate reports of misconduct, and outlines the protections available to those who report under the Policy. Through the Audit and Risk Committee, the DDH1 Board is informed of any material incidents reported under the Policy.

(h) Corporate Governance Statement

DDH1's Corporate Governance Statement outlines the key aspects of DDH1's corporate governance framework that has been established by the DDH1 Board and its compliance with ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition).

The Corporate Governance Statement should be read in conjunction with DDH1's 2021 Annual Report. Further information about DDH1's corporate governance practices and copies of key governance documents are available on DDH1's website (www.ddh1.com.au/about-us/corporate-governance/).

7. PROFILE OF DDH1

7.5 DDH1 Director interests in DDH1 securities and Swick securities

(a) DDH1 Director interests in DDH1 securities

DDH1 Directors are not required by the DDH1 Constitution to hold any DDH1 Shares.

DDH1 Directors may hold their interests directly, or through entities associated with the DDH1 Director (for example, through companies or trusts).

As at the date of this Scheme Booklet, the interests of DDH1 Directors in DDH1 securities are set out in the table below:

DIRECTOR	TYPE OF SECURITY	NUMBER OF SECURITIES HELD
Diane Smith-Gander AO	Ordinary shares	85,456
Alan Broome AM	Ordinary shares	45,455
Sybrandt (Sy) van Dyk	Ordinary shares Performance rights	4,966,795 409,090
Andrea Sutton	Ordinary shares	45,455
Murray Pollock	Ordinary shares	47,419,961
Byron Beath	N/A	Nil

(b) DDH1 Director interests in Swick securities

As at the date of this Scheme Booklet, no DDH1 Director holds an interest in any Swick securities.

7.6 DDH1 interests in Swick securities and benefits

(a) DDH1 interests in Swick securities

As at the date of this Scheme Booklet, neither DDH1 nor any DDH1 Director holds an interest in Swick Shares or any other Swick securities.

(b) No dealings in Swick securities in the previous four months

Except for the Scheme Consideration to be provided under the Scheme, neither DDH1 nor any of its Associates has provided, or agreed to provide, consideration for Swick securities under any purchase or agreement to purchase during the four months ending on the day immediately before the date of this Scheme Booklet.

(c) No pre-Scheme benefits

During the period of four months before the date of this Scheme Booklet, neither DDH1 nor any of its Associates gave, or offered to give, or agreed to give, a benefit to another person which was likely to induce the other person or an Associate of the other person to:

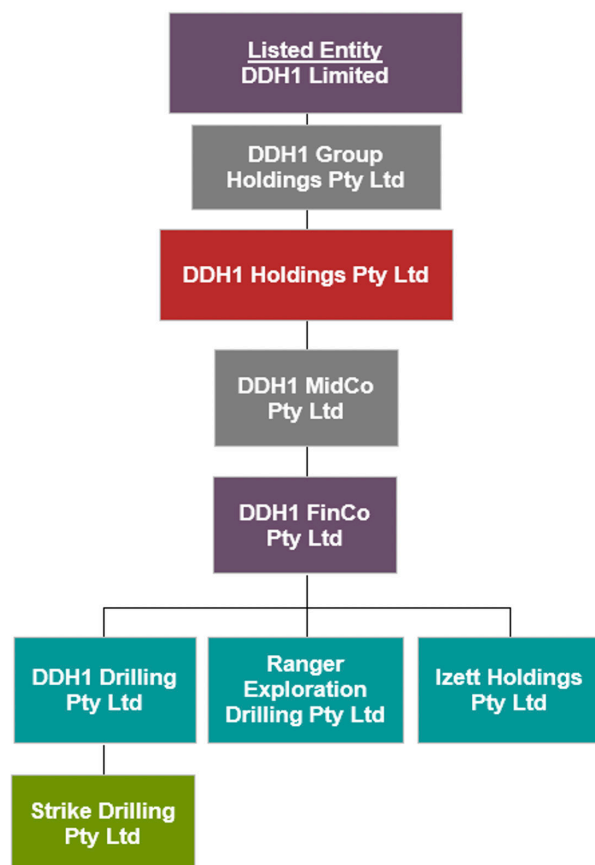
- (i) vote in favour of the Scheme; or
- (ii) dispose of Swick securities,

and which is not offered to all Swick Shareholders.

7. PROFILE OF DDH1

7.7 DDH1 corporate structure

The following diagram represents DDH1's corporate structure as at the date of the Scheme Booklet:



The following entities are all subsidiaries of DDH1 as at the date of this Scheme Booklet:

ENTITY	OWNERSHIP INTEREST (%)
DDH1 Group Holdings Pty Ltd	100
DDH1 Holdings Pty Ltd	100
DDH1 Midco Pty Ltd	100
DDH1 Finco Pty Ltd	100
DDH1 Drilling Pty Ltd	100
Strike Drilling Pty Ltd	100
Ranger Exploration Drilling Pty Ltd	100
Izett Holdings Pty Ltd	100

7. PROFILE OF DDH1

7.8 DDH1's issued securities

As at the date of this Scheme Booklet, DDH1 has the following securities on issue:

TYPE OF SECURITY	NUMBER ON ISSUE
DDH1 Shares	342,804,678
DDH1 Performance Rights	2,102,735

7.9 DDH1 employee incentive plan

(a) DDH1 Short-term Incentive Plan (STIP)

DDH1 has a STIP to assist in the reward, retention and motivation of eligible employees and reward them for strong performance levels and contributions to DDH1 over a specified performance period.

The STIP gives DDH1 the ability to make awards to participants in the form of cash, with a portion of any payment to participants that participate in the LTIP being deferred (for senior management only). Offers may be made at the DDH1 Board's discretion to employees, contractors and directors of DDH1 that the DDH1 Board determines to be eligible to receive a grant under the STIP.

(b) DDH1 Long-term Incentive Plan (LTIP)

DDH1 has a LTIP to assist in the reward, retention and motivation of eligible employees. The LTIP is designed to align the interests of eligible employees with the interests of DDH1 Shareholders by providing an opportunity for eligible employees to receive an equity interest in DDH1.

The LTIP provides flexibility for DDH1 to grant rights, options and/or shares as incentives, subject to the terms of individual offers. Offers may be made at the DDH1 Board's discretion to employees, contractors and directors of DDH1 that the DDH1 Board determines to be eligible to receive a grant under the LTIP.

During the FY21 reporting period, a total of 1,176,362 DDH1 Performance Rights were issued, and a further 926,373 DDH1 Performance Rights have been issued in FY22.

The below table represents the number of DDH1 Performance Rights granted and held by executives:

EXECUTIVE	DDH1 PERFORMANCE RIGHTS
Sy van Dyk	409,090
Ben MacKinnon	250,000

7.10 DDH1 dividend policy

The DDH1 Board may at its discretion declare any dividend. The DDH1 Board will take into account all relevant factors including financial position, operating results, legal, regulatory or contractual restrictions, capital requirements, business prospects and taxation considerations (including the level of franking credits available) when determining declaration of any dividend.

The target payout ratio for the payment of dividends is 30% to 50% of NPATA. The payment of dividends is targeted every six months, with an interim dividend in April and a final dividend in October of each calendar year. The actual dividend payout ratio is expected to vary between periods depending on a variety of factors, including those outlined above.

The DDH1 Directors expect the performance of DDH1 will allow any dividend to be fully franked dividends but will consider the ability of the dividend to be franked before declaring any dividend.

7. PROFILE OF DDH1

7.11 Substantial DDH1 Shareholders

The substantial shareholders of DDH1 Shares (5% or more) as at the Last Practicable Date, are as follows:

SUBSTANTIAL DDH1 SHAREHOLDER	NUMBER OF DDH1 SHARES HELD	VOTING POWER
DDH1 Holdings Singapore Pte Ltd and the Oaktree Substantial Holders	75,753,063	22.10%
Murray Pollock & Western Alloys Pty Ltd as Trustee for The Westall Investment Trust	47,419,961	13.83%
Matthew Thurston & Goldenmile Pty Ltd as trustee for the Alloys Investment Trust	27,419,961	8.00%
Tribecca Investment Partners Pty Ltd	20,991,772	6.12%

The shareholdings listed in this section are as disclosed to DDH1 by DDH1 Shareholders in substantial holding notices. Information regarding substantial holdings that arise, change or cease after the date of the substantial holding notices disclosed to DDH1, or in respect of which the relevant announcement is not available on the ASX's website (www.asx.com.au) is not included above.

7.12 Historical financial information

(a) Overview

This section 7.12 contains the following historical financial information of DDH1:

- (i) historical income statements for the years ended 30 June 2019, 30 June 2020 and 30 June 2021 (**DDH1 Historical Income Statements**);
- (ii) historical statements of financial position as at 30 June 2019, 30 June 2020 and 30 June 2021 (**DDH1 Historical Statements of Financial Position**); and
- (iii) historical statements of cash flows for the years ended 30 June 2019, 30 June 2020 and 30 June 2021 (**DDH1 Historical Statements of Cash Flows**),

(together, the **DDH1 Historical Financial Information**).

All amounts disclosed in this section 7.12 are presented in Australian dollars and, unless otherwise noted, are rounded to the nearest thousand dollars. Any discrepancies between totals and sums of components in tables and figures contained in this section 7.12 are due to rounding.

(b) Basis of preparation of the DDH1 Historical Financial Information

The Financial Information presented in this section (b) has been prepared in accordance with the recognition and measurement principles of the Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the AASB and the Corporations Act.

The financial information presented in the tables below does not represent complete financial statements and should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements. Where appropriate, adjustments have been made to headings and classifications of historical data to provide a consistent basis of presentation.

7. PROFILE OF DDH1

(c) DDH1 Historical Statutory Financial Information

Set out below are the DDH1 Historical Statutory Income Statements:

STATEMENT OF PROFIT OR LOSS			
PROFIT & LOSS	30 JUNE 2021 ROUNDED \$'000	30 JUNE 2020 ROUNDED \$'000	30 JUNE 2019 ROUNDED \$'000
Revenue	294,606	249,792	184,220
Other revenue	4,206	2,285	2,364
Other gains and losses	(142)	610	77
Advertising expenses	(450)	(337)	(367)
Drilling consumables	(32,686)	(26,978)	(19,339)
Employee and contractor expenses	(132,091)	(107,522)	(82,333)
Fuel and oil	(6,457)	(7,228)	(5,720)
Freight and couriers	(3,909)	(2,876)	(2,436)
Insurance expenses	(3,123)	(1,990)	(1,778)
Legal and consultant fees	(699)	(3,360)	(340)
Hire of plant	(8,501)	(7,777)	(6,468)
Rent	(629)	(835)	(1,142)
Service and repairs	(23,869)	(18,302)	(12,773)
Travel expenses	(10,412)	(9,759)	(8,032)
IPO costs	(7,431)	-	-
Other expenses	(2,805)	(2,444)	(3,023)
EBITDA	65,607	63,278	42,911
Depreciation expense	(21,528)	(21,271)	(13,097)
Amortisation	(2,151)	(2,618)	(1,432)
EBIT	41,928	39,389	28,382
Interest received	1	38	138
Finance costs	(2,526)	(4,049)	(3,486)
Profit before tax	39,403	35,378	25,034
Income tax benefit / (expense)	17,780	(10,738)	(4,272)
Profit for the year	57,183	24,640	20,762

7. PROFILE OF DDH1

Set out below are the DDH1 Historical Statutory Statements of Financial Position:

STATEMENT OF FINANCIAL POSITION			
	DDH1 LTD 30 JUNE 2021 \$'000	DDH1 HOLDINGS 30 JUNE 2020 \$'000	DDH1 HOLDINGS 30 JUNE 2019 \$'000
CURRENT ASSETS			
Cash and cash equivalents	14,591	37,581	16,912
Trade and other receivables	55,696	41,888	47,804
Inventories	26,098	23,621	22,540
Current tax asset	4,279	-	-
Other current assets	1,221	729	784
TOTAL CURRENT ASSETS	101,885	103,818	88,040
NON-CURRENT ASSETS			
Financial assets	562	569	516
Loan receivable	-	-	-
Intangible assets	30,816	32,899	35,451
Property, plant and equipment	129,415	107,220	98,343
Right of use asset	4,229	5,072	-
Deferred tax asset	14,413	-	-
TOTAL NON-CURRENT ASSETS	179,434	145,761	134,310
TOTAL ASSETS	281,319	249,579	222,349
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	(28,757)	(21,828)	(21,861)
Lease Liabilities	(3,217)	(2,278)	-
Other financial liabilities	-	-	-
Borrowings	-	(3,344)	(5,162)
Current tax liabilities	-	(5,740)	(2,763)
Provisions	(8,640)	(5,277)	(4,458)
TOTAL CURRENT LIABILITIES	(40,613)	(38,467)	(34,244)
NON-CURRENT LIABILITIES			
Lease Liabilities - non	(6,424)	(6,189)	-
Borrowings - Non	-	(58,105)	(62,844)
Provisions - Non	(597)	(585)	(373)
Deferred tax liabilities	-	(10,973)	(7,540)
TOTAL NON-CURRENT LIABILITIES	(7,022)	(75,852)	(70,757)
TOTAL LIABILITIES	(47,635)	(114,319)	(105,001)
NET ASSETS	233,684	135,260	117,348
EQUITY			
Issued capital	(375,025)	(209,665)	(209,665)
Restructure reserve	266,574	140,812	140,812
Share based payment reserve	(3,837)	(2,194)	(1,958)
Retained earnings - opening	(64,213)	(39,573)	(25,776)
Profit / Loss FY21	(57,183)	(24,640)	(20,762)
TOTAL EQUITY	(233,684)	(135,260)	(117,348)

7. PROFILE OF DDH1

Set out below are the DDH1 Historical Statutory Statements of Cash Flows:

STATEMENT OF CASH FLOWS			
	2021 \$'000	2020 \$'000	2019 \$'000
Cash flows from operating activities			
Cash receipts from customers	314,190	280,662	192,619
Cash paid to suppliers and employees	(245,434)	(211,509)	(147,459)
Cash generated from operations	68,756	69,153	45,160
Tax paid	(17,624)	(8,395)	(7,379)
Dividends received	-	-	-
Interest paid	(2,526)	(4,149)	(2,676)
Interest received	1	38	138
Net cash from operating activities	48,607	56,648	35,243
Cash flows from investing activities			
Payments of intangibles	(71)	(66)	(57)
Bonds paid on leased properties	-	-	-
Acquisition of plant and equipment	(39,251)	(28,111)	(24,327)
Proceeds from sale of plant and equipment	312	1,142	1,363
Payments to acquire a business	-	-	(4,336)
Proceeds from sale of shares (financial assets)	95	-	583
Net cash from investing activities	(38,915)	(27,035)	(26,775)
Cash flows from financing activities			
Proceeds from borrowings	-	1,295	-
Repayment of borrowings	(61,449)	(3,491)	(549)
Payments to related parties	-	-	-
Share issue costs	(9,491)	-	-
Repayment of lease liabilities	(2,742)	(3,850)	-
Payments to Izetts on Ranger purchase	-	-	-
Proceeds from issue of shares	41,000	-	300
Dividends paid	-	(2,898)	-
Net cash from financing activities	(32,682)	(8,944)	(249)
Net movement in cash and cash equivalents	(22,990)	20,669	8,219
Cash and cash equivalents opening	37,581	16,912	8,693
Cash and Cash Equivalents at End of Year	14,591	37,581	16,912

7. PROFILE OF DDH1

(d) Material change in financial position

DDH1 confirms that there have been no material changes in the financial position since the release of the FY21 financial statements.

(e) Management commentary on the DDH1 Historical Financial Information

DDH1 has achieved year on year revenue growth in the historical period (FY19 to FY21) with strong EBIDTA margins. The DDH1 Group has market leading Return on Invested Capital (ROIC) and has had strong cash conversion, which has helped it remain lowly leverage, historically, and now the DDH1 Group is in a net cash position. The head entity of the DDH1 Group changed as a part of the ASX listing in FY21. DDH1 Holding Pty Ltd was replaced by DDH1 Limited as the head entity.

7.13 Rights and liabilities attaching to the New DDH1 Shares

The New DDH1 Shares will have the same rights and liabilities attaching to them as the existing DDH1 Shares by virtue of the DDH1 Constitution, the Corporations Act and the ASX Listing Rules.

A summary of the significant rights, liabilities and obligations attaching to the New DDH1 Shares and a description of other material provisions of the DDH1 Constitution are set out below. This summary is not exhaustive, nor does it constitute a definitive statement of the rights and liabilities of DDH1 Shareholders.

Full details of the rights and liabilities attaching to DDH1 Shares are set out in the DDH1 Constitution, a copy of which is available on DDH1's website (www.ddh1.com.au).

(a) General meetings

DDH1 members are entitled to receive notice of, attend and vote at general meetings of DDH1 and to receive all notices, accounts and other documents required to be sent to DDH1 members under the DDH1 Constitution, Corporations Act and the ASX Listing Rules. DDH1 members are entitled to be present in person, or by proxy, attorney or representative, to attend and vote at general meetings of DDH1.

(b) Voting rights

At a general meeting of DDH1, every DDH1 member present in person or by proxy, representative or attorney, has one vote on a show of hands and, on a poll, one vote for each fully paid DDH1 Share held by the member and in respect of which the member is entitled to vote (with adjusted voting rights for partly paid shares).

The chair may vote in their capacity as a member, but the chair has no casting vote in the case of an equality of votes on a proposed resolution at a general meeting.

(c) Dividends

The DDH1 Board may resolve to pay any interim, special or final dividends as, in their judgment, the financial position of DDH1 justifies, and also fix the amount of the dividend, the time for determining entitlements to the dividend and the timing and method of payment. The DDH1 Board may also rescind a decision to pay a dividend if they decide, before the payment date, that DDH1's financial position no longer justifies the payment.

(d) Winding up

Subject to the DDH1 Constitution and to the rights or restrictions attached to any shares or class of shares, if DDH1 is wound up and the property of DDH1 is more than sufficient to pay all debts and liabilities, and the costs, charges and expenses of the winding up, the excess must be divided among DDH1 members in proportion to the shares held by them, irrespective of the amounts paid or credited as paid on the shares. The amount of the excess that would otherwise be distributed to the holder of a partly paid share must be reduced by the amount unpaid on that share at the date of the distribution.

(e) Transfer of DDH1 Shares

Subject to the DDH1 Constitution and the rights or restrictions attached to any shares or class of shares, a member may transfer all or any of the member's shares in accordance with the procedures set out in the DDH1 Constitution.

DDH1 may decline to register a transfer of shares or apply a holding lock to prevent a transfer in accordance with the ASX Listing Rules, ASX Settlement Operating Rules and the DDH1 Constitution.

7. PROFILE OF DDH1

(f) Issue of further DDH1 Shares

Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules the ASX Settlement Operating Rules, the DDH1 Constitution and the Corporations Act (and without adversely affecting any special rights of holders of any shares or class of shares), the DDH1 Board may issue shares, or grant options over unissued shares to any person at such times as they think fit and on the conditions they think fit.

(g) Variation of class rights

At present, DDH1's only class of shares on issue is ordinary shares. Subject to the Corporations Act and the terms of issue of a class of shares, the rights attaching to any class of shares may be varied:

- (i) with the written consent of the holders of 75% of the shares of the class; or
- (ii) by a special resolution passed at a separate meeting of the holders of shares of the class.

(h) Non-marketable parcels

In accordance with the ASX Listing Rules, the DDH1 Board may sell shares that constitute less than a marketable parcel by following the procedures set out in the DDH1 Constitution.

(i) Proportional takeover provisions

The DDH1 Constitution contains provisions requiring approval of the persons entitled to vote on a resolution to approve any proportional takeover bid. These provisions will cease to have effect at the end of three years beginning:

- (i) on the date the DDH1 Constitution is adopted by DDH1; or
- (ii) on the date those provisions were last renewed in accordance with the Corporations Act.

(j) DDH1 Directors – appointment and removal

Under the DDH1 Constitution, the DDH1 Board is comprised of a minimum of three and a maximum of twelve directors.

The DDH1 Board may appoint any natural person to be a director, either as an addition to the existing directors or to fill a casual vacancy. DDH1 may remove a director from office by resolution in accordance with section 203D of the Corporations Act, and by resolution fill the vacancy by electing another person to that office.

A director, other than the managing director, appointed in accordance with the DDH1 Constitution, must retire from office at the next annual general meeting following their appointment. Such a director is eligible for re-election and that director may by resolution of DDH1 be re-elected to that office.

(k) DDH1 Directors – voting

Questions arising at a meeting of the DDH1 Board are to be decided by a majority of votes cast by the directors present and entitled to vote on the matter. In the case of an equality of votes upon any proposed resolution, the chair of the meeting has a casting vote in addition to any vote the chair has in their capacity as a director.

(l) DDH1 Directors – remuneration

Each DDH1 Director is entitled to remuneration as the DDH1 Board determine. However, the total amount of remuneration provided to non-executive directors must not exceed, in any year, the amount fixed by DDH1 in general meeting. The remuneration payable by DDH1 to any director must not include a commission on, or percentage of, operating revenue.

In addition to their remuneration, DDH1 Directors are entitled to be paid all travelling and other expenses properly incurred by them in connection with the affairs of DDH1, including attending and returning from DDH1 general meetings or meetings of the DDH1 Board or of committees of the DDH1 Board. If a DDH1 Director renders or is called on to perform extra services or to make any special exertions in connection with the affairs of DDH1, the DDH1 Board may arrange for a special remuneration to be paid to that director, either in addition to or in substitution for that director's remuneration.

(m) DDH1 Directors - powers and duties

The DDH1 Board is responsible for managing the business of DDH1 and may exercise to the exclusion of DDH1 in general meeting all the powers of DDH1 which are not required, by the Corporations Act, the DDH1 Constitution or the ASX Listing Rules, to be exercised by DDH1 in general meeting.

7. PROFILE OF DDH1

(n) Preference shares

DDH1 may issue preference shares from time to time. Preference shares have the rights and restrictions as set out in the DDH1 Constitution.

(o) Indemnities

DDH1 may indemnify, to the extent permitted by law, each DDH1 Director, alternate director or executive officer (and if determined by the directors, other officers, former officers, any auditor or former auditor) for all losses or liabilities incurred by the person as an officer or, if the directors so determine, an auditor of DDH1 or of a Related Body Corporate including, but not limited to, a liability for negligence or for reasonable legal costs on a full indemnity basis.

7.14 Additional information

(a) Recent DDH1 Share price performance

DDH1 Shares are listed and quoted for trading under ASX code "DDH".

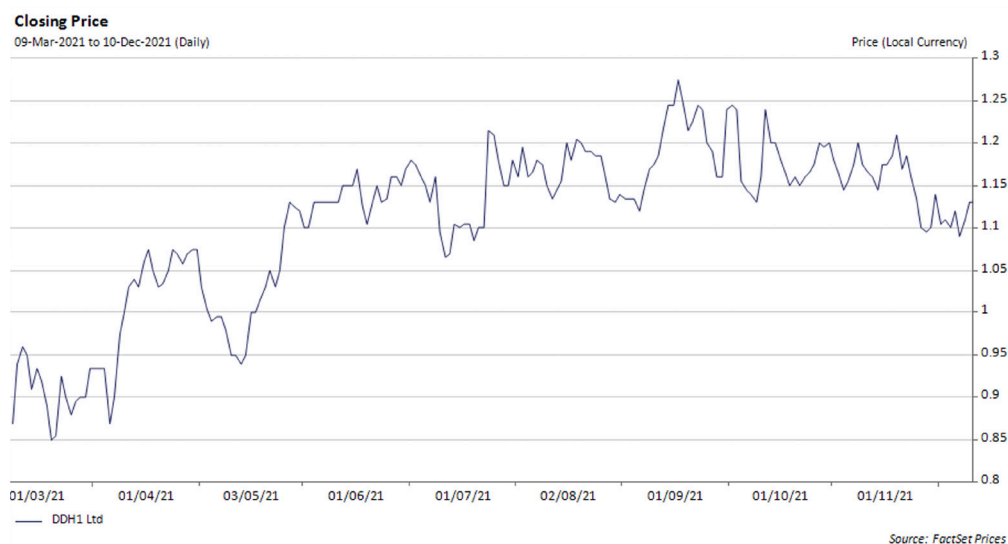
The closing price of DDH1 Shares on the ASX on 11 October 2021, being the last trading day prior to the announcement of the Scheme, was \$1.16.

The closing price of DDH1 Shares on the ASX on the Last Practicable Date, was \$1.13.

During the three months ended on the Last Practicable Date:

- (i) the highest recorded daily closing price for DDH1 Shares on the ASX was \$1.275 on 16 September 2021; and
- (ii) the lowest recorded daily closing price for DDH1 Shares on the ASX was \$1.09 on 7 December 2021.

The following chart shows the daily closing price of DDH1 Shares on the ASX since its reinstatement to trading on the ASX on 9 March 2021:



7. PROFILE OF DDH1

(b) Publicly available information about DDH1

DDH1 is a listed disclosing entity for the purpose of the Corporations Act and as such, is subject to regular reporting and disclosure obligations. Specifically, as a company listed on the ASX, DDH1 is subject to the ASX Listing Rules which require (subject to some exceptions) continuous disclosure of any information that DDH1 has that a reasonable person would expect to have a material effect on the price or value of DDH1 Shares.

Pursuant to the Corporations Act and the ASX Listing Rules, DDH1 is also required to prepare and lodge with ASIC and ASX both yearly and half-yearly financial statements accompanied by a statement and report from the DDH1 Directors and an audit or review report respectively.

Copies of each of these documents and ASX notifications can be obtained free of charge on the DDH1 website (www.ddh1.com.au), or by visiting the ASX website (www.asx.com.au).

In addition, DDH1 is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by DDH1 may be obtained from an ASIC office.

A list of announcements made by DDH1 to the ASX from the time that DDH1 and Swick entered into the Scheme Implementation Agreement on 21 October 2021 to the Last Practicable Date is below:

DATE	ANNOUNCEMENT
10 December 2021	Ceasing to be a substantial holder from WAM/WAX/WMI
6 December 2021	Appendix 3Y Change of Director's Interest - Sy Van Dyk
6 December 2021	Notification regarding unquoted securities - DDH
18 November 2021	2021 Annual General Meeting Results
18 November 2021	Annual General Meeting Chair & CEO's Address & Presentation
27 October 2021	Change of Director's Interest Notice - Diane Smith-Gander
22 October 2021	DDH1 Investor Presentation - DDH1 to acquire Swick
22 October 2021	DDH1 and Swick Scheme Implementation Agreement
22 October 2021	SWK: Swick and DDH1 enter into Scheme Implementation Agreement

DDH1's recent announcements are available from the ASX's website (www.asx.com.au). Further announcements concerning DDH1 will continue to be made available on this website after the date of this Scheme Booklet.

(c) Material events

Except as disclosed elsewhere in this Scheme Booklet, there is no other information material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any DDH1 Directors, at the date of this Scheme Booklet which has not previously been disclosed to Swick Shareholders.

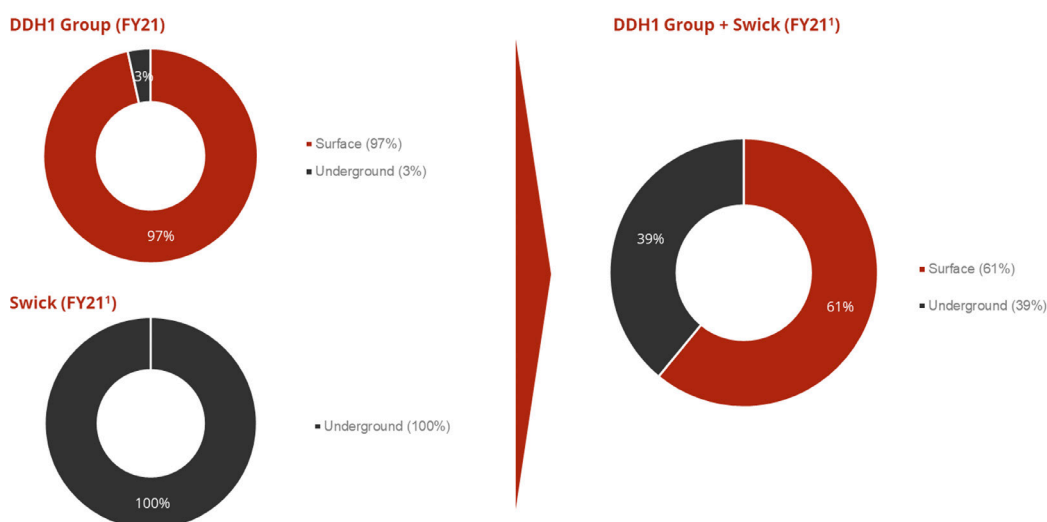
8. OVERVIEW OF THE COMBINED GROUP

8.1 Overview of the Combined Group

If the Scheme is implemented, the merger will combine entities DDH1 and Swick (the **Combined Group**) to create a mineral drilling industry leader with a strong balance of surface and underground drilling exposures. As at 30 September 2021, the Combined Group includes a combined fleet of over 170 rigs across 3 continents, generating pro-forma FY21 annual revenues of approximately \$445 million and a combined pro-forma FY21 EBITDA of \$103 million (pre synergies).

The merger represents a transformational transaction, which will grow the Combined Group's customer service opportunity whilst leveraging common processes and cost base to create long term value for shareholders.

The Combined Group will have many common key customers, and many other complementary customers, that will unlock extended service offerings for the combined business, given DDH1's predominant exposure to surface drilling and Swick's exposure to underground drilling. Revenue of the Combined Group will be diversified, with operations to comprise 60% surface drilling and 40% underground drilling:



Following implementation of the Scheme, the Combined Group will have four business streams, as set out below, with complementary capabilities that will enable the Combined Group to provide a more integrated and expanded offering for its customers:

(a) DDH1 Drilling

DDH1 Drilling will continue to provide customers with diamond coring mineral drilling services. The business has a multi-commodity focus, as well as a focus on production and reserve definition.

(b) Strike Drilling

Strike Drilling will continue to provide customers with air core and reverse circulation drilling specialist services. The business focuses on exploration and early mine activity.

(c) Ranger Drilling

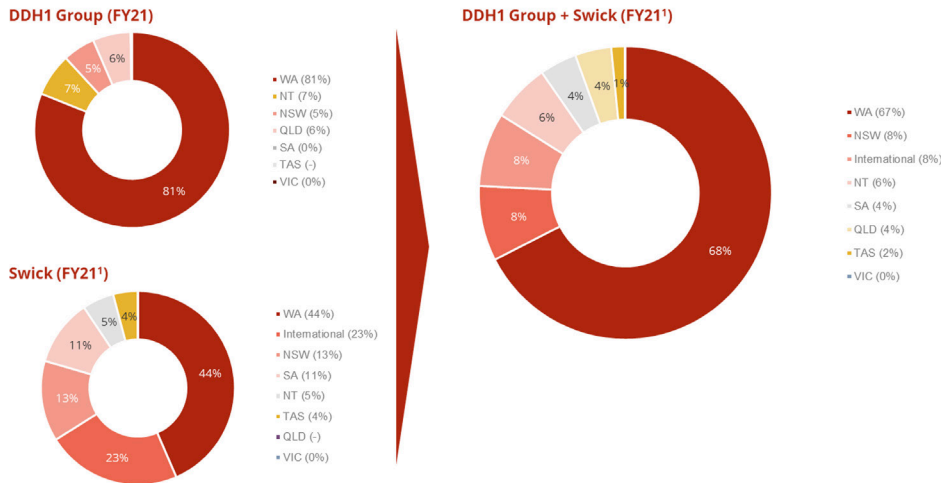
Ranger Drilling will continue to provide customers with reverse circulation and coring specialist services. The business focuses on production and reserve definition within the iron ore sector.

8. OVERVIEW OF THE COMBINED GROUP

(d) Swick Mining Services

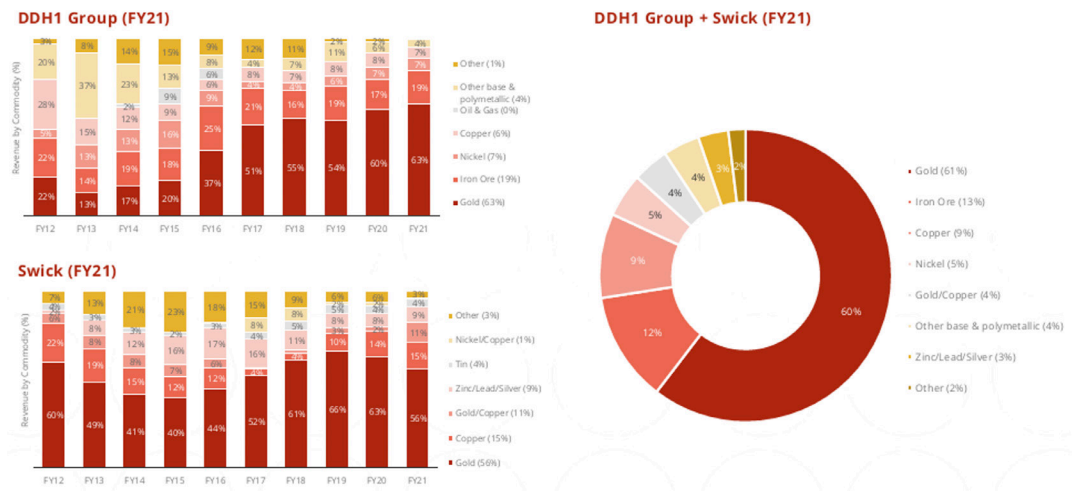
Swick will continue to provide customers with underground diamond core drilling specialist services. The business has a multi-commodity focus, as well as a focus on production and reserve definition.

The Combined Group will have a significant presence in the Australian and international markets that may open up additional business opportunities, relative to DDH1 and Swick as standalone entities. Specifically, Swick will provide greater geographic diversification across New South Wales, South Australia, Tasmania and developed world international markets, as shown below:



The combined model provides a competitive advantage in pursuing long-term whole-of-mine exclusive relationships. The merger will also allow for an increased focus on commodity inputs into renewable technologies, and innovations to reduce contribution to mine site carbon footprint.

The Combined Group will also maintain a balanced exposure to base and precious metals, with no coal exposure and an expanding focus on inputs to renewable technology:



8. OVERVIEW OF THE COMBINED GROUP

8.2 Strategic Rationale for the Merger and Potential Synergies

(a) Strategic Rationale

Swick and DDH1 offer complementary drilling services and expertise, with long established successful track records working with a wide range of exploration and mining companies. There is merit in a merger of the two entities, both in terms of cost synergies and scale benefits. The combination is expected to realise meaningful synergies over time, with both sets of shareholders able to benefit due to the all-scrip consideration.

The Combined Group will retain the distinct brands and customer continuity of DDH1 and Swick, whilst growing its customer offering and sharing in the benefits of in-house innovation, manufacturing, maintenance and procurement.

The strategic rationale for the merger is to create a platform from which to make the Combined Group a leading global mineral driller group, which delivers enhanced value based on the following key elements:

(i) Strong strategic fit

Swick is a leading underground driller with 72 rigs across 14 sites. The Combined Group creates a global mineral drilling business with Australia's largest combined fleet of over 170 rigs across surface and underground drilling, generating approximately \$445m revenue and \$104m of EBITDA (pre synergies) per annum in FY21.

(ii) Complementary customer relationships

Swick has long-term relationships with its customers, with most contracted by Swick for over five years. Swick's customer base is complementary with that of DDH1, and allows the Combined Group to grow its revenue base by offering the full scope of specialised drilling services.

(iii) Provides in-house manufacturing and maintenance capabilities

Swick's in-house manufacturing and maintenance capabilities provides DDH1 with the ability to service more of its fleet internally, and reduce its dependency on third-party suppliers.

(iv) Provides in-house research and development functions

The Merger provides a platform to develop innovative drilling solutions that can be applied across the combined surface and underground fleets, including the E-Rig and Remote-Control Drilling technologies. The E-Rig reduces power requirements and CO2 extraction costs currently incurred by underground miners, which is increasingly relevant as miners' ESG commitments accelerate.

(v) Shared vision for a sustainable future

The Combined Group does not operate in the coal segment, and instead focuses on hard rock drilling. We will be actively engaged in the drilling of metals and materials for the advancement of renewable technologies, providing a key long-term opportunity for sustainable growth.

(vi) Financially compelling

The Merger offers a financially compelling combination of businesses based on the following qualities:

(A) **attractive acquisition:** FY21A EV/EBITDA multiple of 3.9x (pre synergies);

(B) **immediately EPS accretive:** 10% - 15% EPS accretive based on DDH1 and Swick's FY21 performance and estimated synergies of \$2M to \$5M per annum; and

(C) **conservative funding structure:** Combined Group is forecast to be in a small net cash position at completion, providing significant capacity for future growth.

(vii) Aligned cultural underpinnings

Both DDH1 and Swick were founded on the same principles that value and challenge its people, and aim to provide an environment where a strong sense of pride is inherent. Each company values diversity, supports inclusion and cares about the safety and wellbeing of its people.

(viii) Commodity and geographic diversification

The Combined Group will maintain a balanced exposure to base and precious metals, with no coal exposure and an expanding focus on inputs to renewable technology. Swick also offers the Combined Group greater geographic diversification across New South Wales, South Australia, Tasmania and development world international markets.

8. OVERVIEW OF THE COMBINED GROUP

(b) Potential Synergies

The Combined Group is expected to realise meaningful synergies over time, conservatively in the order of \$2-5m per annum (pre-tax and cost to implement), including:

(i) Cost synergies

Cost synergies of the Combined Group will derive from:

- (A) the removal of duplicate corporate overhead costs and shared service functions (estimated \$1.5-2 million p.a.);
- (B) procurement costs savings based on the total spend/volume discounts associated with the purchase of drill rods, drill bits, drill barrels and other common consumables across the combined fleets; and
- (C) the potential to derive cost benefits from utilising Swick's in-house maintenance capabilities to maintain equipment that is common across underground and surface core drilling.

The benefit from procurement and maintenance efficiencies is estimated \$0.5-3 million p.a.

(ii) Revenue synergies

Whilst the initial synergy estimate range does not include any revenue synergies, there is significant revenue opportunity for the Combined Group to deliver whole-of-mine specialised drilling services.

DDH1 will be able to provide different services to the same end market and customers, and intends to focus on joint brand delivery to maintain the high quality service offering currently provided.

Swick's engineering function provides a more efficient base load rig rebuild capacity than that of third parties, representing potential revenue benefits from reduced rig downtime and increased utilisation.

Swick have also developed down hole drilling systems that could be used by the Combined Group in its surface drilling, and Swick's work on programmable automation may, in time, be invaluable across the entire Combined Group's fleet. In addition, DDH1's directional drilling experience will be of value to the Combined Group in light of Swick's development of its DeepEx drilling activity.

8.3 Intentions of DDH1 and the Combined Group

(a) Introduction

This section sets out the intentions in relation to DDH1 and the Combined Group, assuming the Scheme is implemented.

The statements set out in this section are statements of current intention only, which may change as new information becomes available, as circumstances change, or as the Combined Group further develops its strategic focus and outlook.

8. OVERVIEW OF THE COMBINED GROUP

(b) Business, operations and assets

If the Scheme is implemented and subject to the matters set out below, it is intended that the business of Swick will be integrated into DDH1's existing business, to create the Combined Group's business.

The Combined Group's business will retain the distinct brands, customer service and operational teams of DDH1 and Swick, whilst ensuring the benefits of the merger are realised by:

- (i) growing its customer offering through full whole of mine specialised drilling services;
- (ii) implementing in-house innovation across surface and underground fleets;
- (iii) utilising efficient in-house manufacturing, maintenance and procurement practices; and
- (iv) employing a single approach to sustainability through innovation and commodity focus, safety, diversity and inclusion.

The Combined Group will be in a strong position to capitalise on future growth, including through new business opportunities, higher utilisation of fleets, rate increases, organic rig fleet expansion and future selective acquisitions. The Combined Group will continue to review all aspects of the assets and operations to identify ways to maximise value for all shareholders.

(c) Directors, management and employees

Following the implementation of the Scheme, the Combined Group will continue to be led by DDH1 Managing Director and CEO, Mr Sy van Dyk, and DDH1 Chairperson, Ms Diane Smith-Gander AO. There are no plans to change the current DDH1 Board composition.

Swick Managing Director, Mr Kent Swick, will continue as a Managing Director of Swick, but will not join the Combined Group Board.

DDH1 intends to manage Swick utilising the current operational management team, led by Kent Swick in his capacity as Swick's Managing Director. DDH1 will review the support services across Swick and the wider DDH1 business post Scheme Implementation to determine the best systems, processes and people to lead the support service across the wider group and to deliver on the synergies communicated. Except for corporate and support function optimisation, DDH1 does not currently intend to make changes to Swick's operational management staff.

Following implementation of the Scheme, Swick and its controlled entities will be wholly owned subsidiaries of DDH1. Mr Kent Swick, will continue as a Managing Director of Swick, and the Swick Board will otherwise be reconstituted so that the members comprise persons nominated by the DDH1 Board.

(d) Delisting

If the Scheme is implemented, it is intended that Swick be removed from the official list of the ASX.

(e) Dividend policy

The Combined Group Board will review the amount of any future dividends to be paid to shareholders having regard to the Combined Group's profits, its financial position and the Combined Group Board's assessment of the capital required to grow the Combined Group's business. DDH1's target payout ratio for the payment of dividends is 30% to 50% of NPATA, and DDH1 intends to continue to strive to maintain this policy. Based on the expected close date of the Transaction of end February 2022, it is anticipated that Swick Shareholders will be eligible for the DDH1 interim first half dividend.

8. OVERVIEW OF THE COMBINED GROUP

8.4 Share capital and other securities of the Combined Group

On the assumptions that:

- (i) the Scheme becomes Effective;
- (ii) no other Swick Shares or DDH1 Shares are issued; and
- (iii) no other Swick Performance Rights or DDH1 Performance Rights are issued,

the Combined Group will have approximately 427 million DDH1 Shares and 2,102,735 DDH1 Performance Rights on issue following implementation of the Scheme, pending any further issues of DDH1 Performance Rights prior to the implementation.

If the Scheme becomes Effective, approximately 84.2 million New DDH1 Shares will be issued as Scheme Consideration. The New DDH1 Shares to be issued as Scheme Consideration will represent approximately 19.7% of the total number of DDH1 Shares on issue in the Combined Group following implementation of the Scheme.

All outstanding Swick Warrants and Swick Performance Rights on issue must either vest (and have resulted in the issue of Swick Shares), lapse or otherwise be cancelled or terminated prior to the Record Date in accordance with the Scheme Implementation Agreement.

On the basis of the above, the substantial holders of DDH1 Shares (5% or more) in the Combined Group upon implementation of the Scheme, is expected to be as follows:

SUBSTANTIAL SHAREHOLDER IN THE COMBINED GROUP	NUMBER OF DDH1 SHARES HELD	% OF SHARES HELD IN THE COMBINED GROUP
The Oaktree Funds	75,753,063	17.7%
Murray Pollock and Western Alloys Pty Ltd as trustee for The Westall Investment Trust	47,419,961	11.1%
Matthew Thurston and Goldenmile Pty Ltd as trustee for The Alloys Investment Trust	27,419,961	6.4%

8.5 Financial prospects of the Combined Group

The DDH1 Board and the Swick Board have each given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information in relation to the Combined Group, other than the general overview of the strategy and financial profit of the Combined Group set out in this Scheme Booklet. The DDH1 Board and the Swick Board have each concluded that such forecast financial information has the potential to be misleading and a reasonable basis does not exist for producing forecasts that would be sufficiently meaningful and reliable to be of value to either set of shareholders. Swick Shareholders should refer to the Independent Expert's Report contained in Annexure A regarding valuations of DDH1 and Swick.

Following completion of the Merger, the Combined Group Board will determine the optimal financing for, and the amounts to be made available for, the activities of the Combined Group, noting that the Combined Group is expected to have a small net cash position at transaction close. The Combined Group Board will consider the best way forward for ensuring that adequate capital is available to maintain appropriate levels of service.

8. OVERVIEW OF THE COMBINED GROUP

8.6 Combined Group pro forma historical financial information

(a) Combined Group financial information

This section 8.6 contains the following pro forma financial information in respect of the Combined Group:

- (i) Unaudited pro forma historical consolidated income statement of the Combined Group (Combined Group Unaudited Pro Forma Historical Income Statement);
- (ii) Unaudited pro forma historical consolidated statement of cash flows of the Combined Group (Combined Group Unaudited Pro Forma Historical Statement of Cash Flows); and
- (iii) Unaudited pro forma historical consolidated statement of financial position of the Combined Group (Combined Group Unaudited Pro Forma Historical Statement of Financial Position).

(together, the **Combined Group Unaudited Pro Forma Historical Consolidated Financial Information**).

The Combined Group Unaudited Pro Forma Historical Consolidated Financial Information should be read together with the:

- (i) basis of preparation as set out in section 8.6(b);
- (ii) risk factors set out in section 9;
- (iii) historical financial information of Swick and DDH1 as set out in sections 6.5 and 7.12 respectively; and
- (iv) other information contained in this Scheme Booklet.

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions are subject to the effect of rounding. Accordingly, totals in tables may not add due to rounding.

Grant Thornton has been appointed as the Investigating Accountant to prepare an Independent Limited Assurance Report in respect of the Combined Group Unaudited Pro Forma Historical Consolidated Financial Information, a copy of which is included in Annexure G.

(b) Basis of preparation

The Combined Group Unaudited Pro Forma Historical Consolidated Financial Information set out in section 8.6 has been prepared for illustrative purposes to provide Swick Shareholders with an indication of the financial performance, financial position and cash flow of the Combined Group as if the Scheme had been implemented prior to 1 July 2020 in respect of the financial performance and cash flow, and prior to 30 June 2021 in respect of the financial position. The Combined Group Unaudited Pro Forma Historical Consolidated Financial Information does not reflect the actual performance, financial position or cash flow of the Combined Group at the time of Implementation. It has been prepared for illustrative purposes only for this Scheme Booklet.

The Combined Group Pro Forma Historical Financial Information presented in this Section 8.6 comprises;

- (i) Swick Audited Statutory Historical Consolidated Financial Information as at, and for the 12 months ended, 30 June 2021 (presented in Section 6.5);
- (ii) DDH1 Audited Statutory Historical Consolidated Financial Information as at, and for the 12 months ended, 30 June 2021 (presented in Section 7.12); and
- (iii) Pro forma adjustments described in each Pro Forma statement set out in Section 8.6(e) ("**Pro Forma Adjustments**").

The Combined Group Unaudited Pro forma Historical Consolidated Financial Information for the year ended 30 June 2021 is based on Swick's pro forma and statutory historical consolidated financial information for FY2021 and DDH1's pro forma and statutory historical consolidated financial information for FY2021.

Swick's Audited Pro Forma Historical Consolidated Financial Information presented in this Section 8.6 has been derived from the Audited consolidated financial statements of Swick for the financial year ended 30 June 2021. The Audited consolidated financial statements of Swick for the financial year ended 30 June 2021 have been prepared in accordance with the recognition and measurement principles of AAS (including the Australian Accounting Interpretations), issued by the AASB which are consistent with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board.

8. OVERVIEW OF THE COMBINED GROUP

DDH1's Audited Pro Forma Historical Consolidated Financial Information presented in this Section 8.6 has been derived from the Audited consolidated financial statements of DDH1 for the financial year ended 30 June 2021. The Audited consolidated financial statements of DDH1 for the financial year ended 30 June 2021 have been prepared in accordance with the recognition and measurement principles of AAS (including the Australian Accounting Interpretations), issued by the AASB which are consistent with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board.

On 9 March 2021, as part of DDH1 listing on the ASX, a restructure of the DDH1 Group was undertaken whereby DDH1, via its wholly-owned subsidiary DDH1 Group Holdings Pty Ltd, acquired 100% of the share capital of DDH1 Holdings Pty Ltd (**DDH1 Holdings**). Under the terms of this restructure, DDH1 became the ultimate parent of DDH1 Holdings. For the purposes of accounting, this has been considered a group reorganisation.

Due to the corporate restructure, the consolidated financial statements of DDH1 Limited were prepared, by an accounting policy choice, as a continuation of the business and operations of DDH1 Holdings except that the issued capital and consolidated statement of changes in equity presented is that of DDH1. The comparative information for the period ended 30 June 2020 is that of DDH1 Holdings for the financial year ended on that date.

For subsequent reporting periods, DDH1 Limited will constitute the parent entity of the DDH1 Group and will present consolidated financial statements. However, for accounting purposes, the consolidated financial statements will be a continuation of those of DDH1 Holdings except that the share capital is that of DDH1. The implications of the corporate restructure on the consolidated financial statements are as follows:

(i) Consolidated Statement of Profit or Loss and Other Comprehensive Income

The current financial year results are that of the combined DDH1 Group. The comparative information is that of DDH1 Holdings and its controlled entities for the year ended 30 June 2020 (referred to as **DDH1 Holdings Group**).

(ii) Consolidated Statement of Financial Position

The consolidated statement of financial position as at 30 June 2021 represents the combined DDH1 Group. The consolidated statement of financial position for the comparative period is that of the DDH1 Holdings Group.

(iii) Consolidated Statement of Changes in Equity

The consolidated statement of changes in equity presents the DDH1 Holdings Group for the comparative period, while the current year represents the movement of DDH1 for the year ended 30 June 2021. The equity balances as at 30 June 2021 are that of the combined DDH1 Group. The Group Reorganisation Reserve represents the excess of the fair value of the shares issued by DDH1 on 9 March 2021 over the carrying value of the net assets of the DDH1 Holding Group as of that date.

(iv) Consolidated Statement of Cash Flows

The cash balance at the beginning of the period and the comparative period information is that of DDH1 Holdings Group. The current year cash flows are those of the combined DDH1 Group.

(v) Equity Structure

With effect from the DDH1 Group Restructure on 9 March 2021, the number of shares on issue is that of the legal parent, DDH1 Limited. On the restructuring of the DDH1 Group, and upon listing on the ASX, DDH1 issued 342,804,678 DDH1 Shares.

The Combined Group Unaudited Pro Forma Historical Consolidated Financial Information has been prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards, other than it is presented on a pro forma basis as if Implementation of the Scheme had already occurred. The Combined Group Unaudited Pro Forma Historical Consolidated Financial Information is presented in abbreviated form and consequently does not contain all the presentation and disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act.

8. OVERVIEW OF THE COMBINED GROUP

Basis of pro forma consolidation

From an accounting perspective DDH1 will gain control over Swick and therefore, under AASB 3 *Business Combinations (AASB 3)*, the Combined Group will be required to recognise the identifiable net assets of Swick at fair value within the Combined Group's financial statements. Any excess between the fair value of the consideration paid and the fair value of the identifiable net assets of Swick will be recognised as goodwill.

The value of the consideration for the acquisition of the Swick Shares under the Scheme will be measured based upon the value of the DDH1 Shares at close of trading on the Implementation Date. For the purposes of the Combined Group pro forma historical financial information, a value of \$1.1793 per New DDH1 Share has been assumed, being the VWAP of DDH1 Shares over the 5 trading days up to and including 6 October 2021, being the last trading day prior to DDH1 and Swick agreeing terms for the Scheme. Consequently, the value of the purchase consideration for accounting purposes may differ from the amount assumed in the Combined Group pro forma historical financial information due to future changes in the market price of DDH1 Shares.

Under AASB 3, the Combined Group will have 12 months from the date of DDH1 gaining control over Swick to undertake a purchase price allocation exercise to determine the fair value of goodwill and identifiable assets (including intangible assets) and liabilities related to the acquisition of Swick. As at the date of this Scheme Booklet, it is not possible to reliably determine the fair values of the acquired assets and liabilities of Swick. For the purposes of preparing the Combined Group Pro Forma Historical Statement of Financial Position, the Scheme Consideration (assumed as \$99.3 million share consideration) less Swick's adjusted net assets (adjusted for the demerger and seed funding to Orexplore) at 30 June 2021 has been reflected as a single Pro Forma Adjustment to the "intangible assets" line. Subsequent to Implementation, the actual determination of the fair values of goodwill, and identifiable assets and liabilities acquired, may materially differ to those values presented in the Combined Group Unaudited Pro Forma Historical Consolidated Statement of Financial Position.

As the purchase price allocation exercise has not been finalised, additional amortisation in relation to identified finite life intangible assets may arise, which has not been reflected in the Combined Group Unaudited Pro Forma Historical Consolidated Income Statement. The quantum of any additional amortisation will depend on the incremental fair value allocated and the useful lives ascribed to the identifiable intangible assets as part of the final purchase price allocation exercise.

For the purpose of preparing the Combined Group Unaudited Pro Forma Historical Consolidated Statement of Financial Position, it has been assumed that there will be no resetting of the Combined Group's tax cost bases following the acquisition. However, it is likely that the allocable cost amount calculation will result in a deferred tax position which is different to the position presented in the Combined Group Unaudited Pro Forma Historical Consolidated Statement of Financial Position. Any resulting adjustment to deferred tax assets and liabilities will have an equal but opposite impact on the amount of goodwill recognised in the Combined Group Unaudited Pro Forma Historical Consolidated Statement of Financial Position.

8. OVERVIEW OF THE COMBINED GROUP

Items not reflected in the Combined Group Unaudited Pro Forma Historical Consolidated Financial Information

As detailed above, the Combined Group Unaudited Pro Forma Historical Consolidated Financial Information is provided for illustrative purposes only.

The Combined Group Unaudited Pro Forma Historical Consolidated Financial Information presented in this section 8.6 does not purport to reflect the likely actual or prospective reported financial performance, financial position or cash flows of the Combined Group.

It is likely that the actual financial performance, financial position and cash flows of the Combined Group in future periods will differ from the Combined Group Pro Forma Unaudited Historical Consolidated Financial Information presented in this section 8.6. The factors which may impact the actual financial performance, financial position or cash flows of the Combined Group include but are not limited to:

- (i) trading of Swick and DDH1 after 30 June 2021, which is not reflected in the DDH1 Pro Forma Unaudited Historical Consolidated Financial Information or the Swick Pro Forma Unaudited Historical Consolidated Financial Information;
- (ii) the risk factors set out in section 9, including any financial impact of COVID-19;
- (iii) the ultimate timing of Implementation;
- (iv) finalisation of the acquisition accounting, including determining appropriate purchase price allocation, including the fair value of all assets and liabilities acquired in accordance with the relevant accounting standards;
- (v) finalisation of the resetting of the tax cost bases of Swick following Implementation, including the recognition of the associated deferred tax assets and liabilities, in accordance with the relevant accounting standards;
- (vi) the ultimate timing and realisation of synergies and business improvements (and associated costs) arising from the combination of Swick and DDH1; and
- (vii) current and future changes to accounting standards (see further information below).

Changes to Accounting Standards

Three new accounting standards have recently been implemented by Swick and DDH1 as follows:

- (i) AASB 15 Revenue from Contracts with Customers (AASB 15), was adopted by Swick with effect from 1 July 2018 and was early adopted by DDH1 from 1 July 2016;
- (ii) AASB 9 Financial Instruments (AASB 9), effective for Swick and DDH1 from 1 July 2018; and
- (iii) AASB 16 Leases (AASB 16), was adopted by Swick and DDH1 from 1 July 2019.

Accordingly, the Swick and DDH1 Unaudited Pro Forma Historical Consolidated Financial Information, upon which the Combined Group Pro Forma Historical Consolidated Financial Information is based, have been consistently prepared subsequent to the adoption of AASB 15, AASB 9 and AASB 16.

8. OVERVIEW OF THE COMBINED GROUP

(c) Combined Group Unaudited Pro Forma Historical Consolidated Income Statement

The Combined Group Unaudited Pro Forma Historical Consolidated Income Statement is presented in the Table below.

Combined Group Unaudited Pro Forma Historical Consolidated Income Statement

FOR THE YEAR ENDED 30 JUNE 2021	DDH1 AUDITED \$'000	SWICK AUDITED \$'000	PRO FORMA ADJUSTMENTS \$'000	COMBINED GROUP PRO FORMA \$'000
Continuing operations				
Revenue	294,606	150,106	(27)	444,685
Other income	4,068	947	(524)	4,491
Employee benefits expense	(132,091)	(79,340)	5,051	(206,380)
Raw materials and consumables used	(32,686)	(31,616)	28	(64,274)
Advertising expense	(450)	-	-	(450)
Fuel and oil expenses	(6,457)	-	-	(6,457)
Freight and couriers	(3,909)	-	18	(3,891)
Insurance expenses	(3,123)	(2,498)	(300)	(5,921)
Legal and consultant expenses	(699)	-	-	(699)
Hire of plant	(8,501)	-	-	(8,501)
Rent expense	(629)	(395)	-	(1,024)
Service and repair expenses	(23,869)	(5,118)	43	(28,944)
Administration costs	-	(3,398)	1,914	(1,484)
Foreign exchange loss	-	(394)	-	(394)
Travel and accommodation expense	(10,412)	(3,616)	0	(14,028)
Recruitment and training	-	(373)	2	(371)
IPO expenses	(7,431)	-	7,431	-
Other expenses	(2,805)	-	(200)	(3,005)
EBITDA	65,610	24,305	13,437	103,352
Depreciation & Amortisation	(23,679)	(16,324)	3,664	(36,339)
EBIT	41,931	7,981	17,102	67,013
Net financing costs	(2,525)	(1,201)	365	(3,360)
NPBT	39,406	6,780	17,467	63,653
Income tax benefit/(expense)	17,780	(2,702)	(33,633)	(18,556)
NPAT	57,186	4,078	(16,166)	45,098

Source: Swick and DDH1 Audited Historical Financial Information is set out in Sections 6.5 and 7.12 respectively.

8. OVERVIEW OF THE COMBINED GROUP

Pro Forma Adjustments – Combined Group Unaudited Pro Forma Historical Consolidated Income Statement

- + DDH1 listed company costs of \$0.6m have been included in NPAT to reflect DDH1's assessment of costs which would have been assumed if the company was listed for the full FY2021, i.e. insurance, director fees and share based payments;
- + One-off IPO costs incurred and expensed by DDH1 in FY2021 of \$7.4 million have been added back;
- + DDH1 Share based payments of \$2.2m have been added back to reflect one-off costs paid to employees of the company;
- + Transaction costs associated with the transaction contemplated in this scheme booklet which were incurred in FY2021 of c.\$0.1m;
- + Depreciation adjustment of \$2.1m to reflect the adoption of a revised depreciation policy by Swick, which has been adopted on 1 July 2021;
- + The divestment of Oreplore Group reflecting the removal of its income statement impact from Swick's audited income statement for FY2021. This has a net result of increasing NPAT in the Combined Group by \$5.1 million; and
- + Swick financing impact of \$0.4m (pre-tax) representing the removal of the undrawn facility fee for Swick with the facility being closed post Transaction with future funding to be assumed from DDH1's existing facilities.
- + Tax adjustment of DDH1 to remove the impact of the one-off tax benefit which arose as a result of the income tax treatment of the DDH1 restructure. This adjustment brings DDH1 to an income tax paying position at the applicable income tax rate.

Items not reflected in the Combined Group Unaudited Pro Forma Historical Consolidated Income Statement

The Combined Group Unaudited Pro Forma Historical Consolidated Income Statement has not been adjusted to reflect:

- (i) the trading of Swick or DDH1 after 30 June 2021;
- (ii) the ultimate timing and realisation of any potential synergies or business improvements (and associated costs) arising from the combination of Swick and DDH1;
- (iii) transaction costs incurred by Swick and DDH1 in relation to the Scheme incurred after 30 June 2021;
- (iv) additional depreciation and amortisation relating to identified tangible and intangible assets which may arise as a result of Implementation of the Scheme and the finalisation of the purchase price allocation exercise; and
- (v) any potential tax impact which may arise as a result of Implementation of the Scheme including finalisation of resetting of tax cost bases of assets, and the finalisation of the accounting for the acquisition.

8. OVERVIEW OF THE COMBINED GROUP

(d) Combined Group Unaudited Statutory and Pro Forma Historical Statement of Financial Position

The Combined Group Unaudited Statutory and Pro Forma Historical Statement of Financial Position is presented in table below.

Combined Group Unaudited Statutory and Pro Forma Historical Statement of Financial Position

			A	B	C	D	
FOR THE YEAR ENDED 30 JUNE 2021	DDH1 AUDITED \$'000	SWICK AUDITED \$'000	DEPRECIATION POLICY CHANGE \$'000	OREXPLORE DEMERGER TRANSACTIONS \$'000	ACQUISITION OF SWICK INC. OREXPLORE DEMERGER TRANS. \$'000	TRANSACTION COSTS \$'000	COMBINED GROUP PRO FORMA \$'000
Assets							
Current assets							
Cash and cash equivalents	14,591	15,108	-	(414)	14,694	(4,755)	24,529
Trade and other receivables	55,696	23,239	-	(483)	22,756	-	78,452
Inventories	26,098	21,682	-	(1,313)	20,369	-	46,467
Prepayments	-	2,496	-	(118)	2,378	-	2,378
Current tax assets	4,279	-	-	-	-	-	4,279
Other current assets	1,221	-	-	-	-	-	1,221
Total current assets	101,885	62,525	-	(2,328)	60,197	(4,755)	157,326
Non-current assets							
Financial assets	562	1,815	-	-	1,815	-	2,377
Intangibles	5,437	12,609	-	(7,349)	5,260	-	10,697
Goodwill	25,381	-	-	-	30,281	-	55,662
Property, plant & equipment	129,415	61,790	2,115	(1,894)	62,011	-	191,426
Right of use assets	4,229	8,285	-	(757)	7,528	-	11,757
Deferred tax asset	14,413	-	-	-	-	-	14,413
Total non-current assets	179,437	84,499	2,115	(10,000)	106,895	-	286,332
Total assets	281,322	147,024	2,115	(12,328)	167,092	(4,755)	443,659

8. OVERVIEW OF THE COMBINED GROUP

			A	B	C	D	
FOR THE YEAR ENDED 30 JUNE 2021	DDH1 AUDITED \$'000	SWICK AUDITED \$'000	DEPRECIATION POLICY CHANGE \$'000	OREXPLORE DEMERGER TRANSACTIONS \$'000	ACQUISITION OF SWICK INC. OREXPLORE DEMERGER TRANS. \$'000	TRANSACTION COSTS \$'000	COMBINED GROUP PRO FORMA \$'000
Liabilities							
Current liabilities							
Trade and other payables	28,757	18,788	-	(618)	18,170	-	46,927
Lease liabilities	3,217	2,485	-	(412)	2,073	-	5,290
Borrowings	-	-	-	-	-	-	-
Current tax liabilities	-	1,717	-	-	1,717	-	1,717
Provisions	8,433	6,144	-	(93)	6,051	-	14,484
Total current liabilities	40,407	29,134	-	(1,123)	28,011	-	68,418
Non-current liabilities							
Borrowings	-	15,000	-	11,644	26,644	-	26,644
Lease liabilities	6,424	8,998	-	-	8,998	-	15,422
Provisions	804	411	-	-	411	-	1,215
Deferred tax liabilities	-	3,721	-	7	3,728	-	3,728
Total non-current liabilities	7,228	28,130	-	11,651	39,781	-	47,009
Total liabilities	47,635	57,264	-	10,528	67,792	-	115,427
Net assets	233,687	89,760	2,115	(22,856)	99,300	(4,755)	328,232
Shareholder's equity							
Issued capital	375,025	92,166	-	(15,556)	99,300	(2,127)	472,198
Reserves	(262,737)	374	-	30	-	-	(262,737)
Accumulated profits/ (losses)	121,399	(2,780)	2,115	(7,330)	-	(2,628)	118,771
Total shareholder's equity	233,687	89,760	2,115	(22,856)	99,300	(4,755)	328,232

Source: Swick and DDH1 Audited Historical Financial Information is set out in sections 6.5 and 7.12 respectively.

8. OVERVIEW OF THE COMBINED GROUP

Pro Forma Adjustments – Combined Group Unaudited Pro Forma Historical Statement of Financial Position

- + Adjustment (A): Depreciation adjustment of \$2.1m to reflect the adoption of a revised depreciation policy by Swick, effective 1 July 2021.
- + Adjustment (B): includes the following transactions;
 - Demerger of Orexplora Group, removing \$3.5m of net assets from the Swick balance sheet, noting the process is expected to be completed before the end of the 2021 calendar year;
 - Orexplora forgiveness of a net \$5.9m loan due to Swick as well as other adjustments related to a \$1.2m goodwill reversal, reversal of IFRS 16 and write off of accruals; and
 - Payment of seed funding as part of the Orexplora Group demerger of \$12.0m to investors in the form of an In-Specie Distribution. 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. This amount will be paid to Investors from the \$15.7m equity offer price adjustment of expected net debt assumed in the transaction.
- + Adjustment (C): Acquisition of Swick with an assumed equity purchase price of \$0.35 per share, with an implied equity value of \$99.3m. The equity purchase price will be funded 100% via the issuance of shares in DDH1 where Swick Shareholders will receive 0.2970 DDH1 Shares per Swick Share. These balances are inclusive of the Swick balance sheet, less the Orexplora divestment balances in Adjustment (A) to show the net assets acquired for the equity consideration of \$99.3m, resulting in a goodwill of c.\$30.3m; and
- + Adjustment (D): Transaction costs of \$4.8m to be incurred by the Combined Group.

(e) Items not reflected in the Combined Group Unaudited Pro Forma Historical Statement of Financial Position

The Combined Group Unaudited Pro Forma Historical Statement of Financial Position has not been adjusted to reflect:

- (i) the trading of Swick or DDH1 after 30 June 2021;
- (ii) finalisation of the acquisition accounting, including determining appropriate purchase price allocation, including the fair value of all assets and liabilities acquired in accordance with the relevant accounting standards; and
- (iii) resetting of the tax cost bases of Swick following Implementation, including recognition of the associated deferred tax assets and liabilities, in accordance with the relevant accounting standards.

(f) Combined Group unaudited Statutory and Pro Forma Historical Statement of Cash Flows

The Combined Group Unaudited Statutory and Pro Forma Historical Statement of Cash Flows is presented in Table below.

8. OVERVIEW OF THE COMBINED GROUP

Table: Combined Group Unaudited Statutory and Pro Forma Historical Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2021	DDH1 FY21 AUDITED	SWICK FY21 AUDITED	A RC DRILLING DIVESTMENT IMPACT	B DDH1 LISTED COMPANY COSTS	C DDH1 IPO & COSTS	D DEMERGER OF OREXPLORE	E TRANSACTION COSTS	F SWICK FINANCING IMPACT	COMBINED GROUP PRO FORMA
Cash flows from operating activities									
Receipts from customers	314,190	159,981	(4,438)	-	-	(29)	-	-	469,704
Receipts of government grants	-	322	-	-	-	41	-	-	363
Payments to suppliers and employees	(245,434)	(141,536)	4,188	(500)	-	2,911	-	-	(380,371)
Finance costs	(2,526)	-	-	-	-	16	-	-	(2,510)
Interest received/ (paid)	1	(1,035)	(179)	-	-	-	-	350	(863)
Income tax paid	(17,624)	(1,201)	129	-	-	-	-	-	(18,696)
Net cash from operating activities	48,607	16,531	(300)	(500)	-	2,939	-	350	67,627
Cash flows from investing activities									
Proceeds from sale of property, plant and equipment	312	1,293	(671)	-	-	-	-	-	934
Payments for plant and equipment	(39,251)	(5,994)	-	-	-	331	-	-	(44,914)
Payments for development costs	-	(1,564)	-	-	-	947	-	-	(617)
Payments for intangibles	(71)	-	-	-	-	-	-	-	(71)
Proceeds from sale of financial assets	95	-	-	-	-	-	-	-	95
Investment income	-	150	-	-	-	-	-	-	150
Proceeds from sale of discontinued operations	-	5,300	(5,300)	-	-	-	-	-	-
Net cash from investing activities	(38,915)	(815)	(5,971)	-	-	1,278	-	-	(44,423)
Cash flows from financing activities									
Repayment of borrowings	(61,449)	(7,747)	233	-	-	-	-	-	(68,963)
Share buyback	-	(3,192)	-	-	-	-	-	-	(3,192)
Share buyback costs	-	(8)	-	-	-	-	-	-	(8)
Proceeds from issue of shares	41,000	-	-	-	(41,000)	-	-	-	-
Transaction costs related to issue of shares, convertible notes or options	(9,491)	-	-	-	9,491	-	(4,829)	-	(4,829)
Repayment of lease liabilities	(2,742)	-	-	-	-	406	-	-	(2,336)
Dividends paid	-	(2,208)	-	-	-	-	-	-	(2,208)
Purchase of own shares	-	(108)	-	-	-	-	-	-	(108)
Net cash from financing activities	(32,682)	(13,263)	233	-	(31,509)	406	(4,829)	-	(81,645)
Net cash flows	(22,990)	2,453	(6,038)	(500)	(31,509)	4,623	(4,829)	350	(58,441)

Source: Swick and DDH1 Audited Historical Financial Information is set out in sections 6.5 and 7.12 respectively.

8. OVERVIEW OF THE COMBINED GROUP

Pro Forma Adjustments – Combined Group Unaudited Pro Forma Historical Statement of Cash Flows

- + Adjustment (A): Removal of the RC drilling cash flows following the divestment of the business, removing \$6.0m of net cash flows from the Swick FY2021 audited cash flow statement;
- + Adjustment (B): DDH1 listed company costs of \$0.5m have been deducted to reflect DDH1's assessment of costs which would have been assumed if the company was listed for the full FY2021, i.e. insurance and director fees (share based payments have been excluded as there is no cash impact).
- + Adjustment (C): DDH1's proceeds of the IPO (\$41.0 million) as well as IPO costs and other fundraising costs of \$9.5m in FY2021.
- + Adjustment (D): Demerger of Orexplora, removing \$0.4m of closing cash and adding back \$4.6m of net cash flows to the Swick cash flow statement;
- + Adjustment (E): Transaction costs associated with the Transaction, which are expected to be \$4.8m. This includes the \$0.1m incurred by the Combined Group in FY2021 and the remaining \$4.7m to be incurred prior to the completion of the Transaction; and
- + Adjustment (F): Net interest impact of \$0.4m (pre-tax) representing the removal of the undrawn facility fee for Swick with the facility being closed post Transaction with future funding to be assumed from DDH1's existing facilities.

(g) Items not reflected in the Combined Group Unaudited Pro Forma Historical Statement of Cash Flows

The Combined Group Unaudited Pro Forma Historical Statement of Cash Flows has not been adjusted to reflect:

- (i) the operating cash flows of Swick or DDH1 after 30 June 2021;
- (ii) the cash outflows relating to the payment of future dividends following Implementation of the Scheme; and
- (iii) any potential tax impact which may arise as a result of Implementation of the Scheme and the finalisation of the accounting for the acquisition.

8.7 Additional information

(a) FIRB approval

It is a condition of the Scheme that DDH1 obtains FIRB approval (see section 11.2 for further details regarding that condition, as well as each other Scheme Condition). DDH1 has applied for FIRB approval.

(b) No other material information

Except as disclosed elsewhere in this Scheme Booklet, there is no other material information regarding DDH1, or its intentions regarding Swick and the Combined Group, that would be material to a Swick Shareholder in deciding whether to vote in favour of the Scheme.

9. POTENTIAL RISK FACTORS

9.1 Overview

Under the Scheme, Swick Shareholders (other than Ineligible Overseas Shareholders) will acquire New DDH1 Shares, and consequently there will be a change to Swick Shareholders' overall investment risk profile. This section outlines a number of the risks that may affect the performance of the Combined Group and the value of its shares. These risks include:

- + risks relating to the Combined Group;
- + risks to Swick Shareholders if the Scheme does not proceed;
- + general risks relating to an investment in Swick, DDH1 and the Combined Group, including risks affecting the general economy and stock market; and
- + risks relating to the implementation of the Scheme.

The outline of potential risk factors in this section 9 is a summary only and does not purport to be, nor should it be construed as representing, an exhaustive list of risks. Additional risks and uncertainties not currently known may also have a material adverse effect if the Scheme is implemented.

No assurances or guarantees are given in relation to the future performance of, profitability of, or payment of dividends by, Swick, DDH1 or the Combined Group, and you should carefully consider the risk factors discussed in this section 9, as well as the other information contained in this Scheme Booklet, before voting on the Scheme. If you do not understand any part of this Scheme Booklet, or are in any doubt as to how to vote in relation to the Scheme, it is recommended that you consult your legal, financial, taxation or other professional adviser before making any decision regarding the Scheme.

9.2 Specific risks of the Combined Group

The following risks have been identified as being key risks specific to an investment in the Combined Group. These risks have the potential to have a significant adverse impact on the Combined Group and may affect the Combined Group's financial position, prospects and price of its listed securities.

(a) COVID-19

The Combined Group's capacity to provide drilling services to its customers and to administer its business operations may be adversely impacted by the Coronavirus pandemic (**COVID-19**).

The Combined Group's operations may be impacted in the following ways:

- (i) by any State and Federal Government imposed mobility restrictions which may have an effect on the ability of some of the Combined Group's employees to travel from their place of residence to their place of work, including to the sites at which they service Combined Group's customers;
- (ii) State and Federal Governments have imposed physical-distancing restrictions which may have an effect on the manner in which the Combined Group conducts its operations;
- (iii) the Combined Group's customers may place restrictions on access to project sites at which the Combined Group provides its drilling services; and
- (iv) by State and Federal Government imposed COVID-19 vaccination mandates which may have an effect on the choice of some of the Combined Group's employees to continue employment with the Combined Group.

DDH1 considers that, unless it is required to shut down operations as a result of a government intervention, any isolated incidents of COVID-19 on site may be managed and operated around to minimise any potential disruption to operations. DDH1 has management plans in place to assist in its management of the risks posed by COVID-19.

However, despite any steps taken to mitigate the financial and operational effects of these impacts on its business, there is a risk that one or more of these impacts will persist or other impacts will emerge, in each case, potentially resulting in a reduction in revenue or an increase in costs. Given this, the impact of COVID-19 could potentially be materially adverse to the Combined Group's financial and/or operational performance. Further, any additional government or industry measures (including of the kind outlined above) may adversely affect the Combined Group's operations and may be beyond its control.

9. POTENTIAL RISK FACTORS

(b) Customer demand and outlook for the minerals exploration and mining industry

Changes in the levels of mineral exploration, development and production undertaken by minerals exploration and mining companies could impact the Combined Group's business. A reduction in exploration, development or production activities could cause a decline in the demand for drilling rigs and drilling services, which could in turn have an adverse effect on the Combined Group's business, financial performance and position, results of operations and prospects.

The operations and financial results of the Combined Group may be materially and adversely affected by declines in the price of gold, iron ore, copper and other commodities. Commodity prices fluctuate widely and are affected by numerous factors beyond the Combined Group's control, including the sale and purchase of metals by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major metals-producing countries throughout the world.

Prevailing and projected commodities prices are a major influence on the mineral exploration, development and production activity levels, and planned expenditures, of the Combined Group's customers. Strong commodities market conditions in recent years have led to an increase in the utilisation rates of drilling rigs in Australia. There is a risk that a fall in commodities prices could substantially reduce future mining expenditures, particularly in relation to exploration and production. This, in turn, could lead to a decline in demand for the Combined Group's services, which may have a material and adverse effect on the Combined Group's business, financial position, results of operations and prospects.

It is possible that the effects of any change of the kind described in this risk factor may be felt suddenly or immediately by Combined Group because, consistent with industry practice, its customer contracts are typically terminable at the discretion of the customer at any time.

(c) Loss of customer contracts and levels of new work

As a future participant in the mining services sector, the Combined Group's results from operations will be directly affected by the activities and decision making of its clients, including the number of new drilling contracts that are awarded to the Combined Group, the extent to which existing contracts are extended or renewed and whether or not contracts on foot expire or are otherwise terminated.

The Combined Group's drilling customer contracts will typically be for a term of three months to three years in length and may be terminated by the customer for convenience, with limited or no amounts payable to the Combined Group in that scenario. In addition, such contracts often do not guarantee a minimum extent of drilling work for the contractor during the term of the contract. The potentially short duration of some of the Combined Group's customer contracts, the absence of minimum spend requirements and the fact that a substantial majority of contracts may be terminated without notice, does not provide the Combined Group with contractual certainty of long-term cash flows and exposes the Combined Group to the risk that work which is contracted or otherwise in hand may not be realised as revenue in the current or any future period.

There is a risk that customer contracts may be terminated on short notice for convenience, not be renewed or otherwise terminated, and that drill rigs may not be able to be placed with alternative customers. In the event of contract termination, assets and resources used on that project may not be able to be redeployed to other projects on the same terms or at all, and there may be downtime between demobilisation and redeployment. Accordingly, the failure to renew or replace contracts, and/or the termination of contracts, could have a material and adverse effect on the Combined Group's financial performance, financial condition, cash flows and growth prospects.

9. POTENTIAL RISK FACTORS

(d) Increased competition from new and existing competitors

A significant portion of the Combined Group's proposed drilling services business will be dependent upon obtaining work through a competitive tender process. There is no assurance that the Combined Group will be able to continue to win new work on terms which are acceptable to the Combined Group. It is possible that the Combined Group may lose business for various reasons which could include the Combined Group being unable to demonstrate reliable performance, technical competence or competitive pricing as part of the tender process, or if its customers elect not to undertake a competitive tender process.

The Combined Group will face competition from a number of international and regional competitors. Customers may also choose to undertake the work themselves, rather than engage a third party service provider to do the work. The fragmented nature of the industry in which the Combined Group will operate provides potential opportunities for competitors to consolidate, which may reduce any scale advantages that the Combined Group could enjoy. Any erosion of the Combined Group's competitive position could have a material and adverse effect on the Combined Group's business, operations, financial position and growth prospects.

The entry of additional competitors in the drilling services industry could result in a reduction of operating margins and loss of market share. This could adversely affect the Combined Group's operations and financial performance. The competitive nature of the industry means that there is no assurance that the Combined Group will be able to compete successfully against current or future competition.

(e) Tender process risk

Drilling contracts are typically awarded following a tender process and the preparation of a tender document involves making certain assessments and assumptions about the work to be undertaken. The Combined Group intends to utilise the extensive skills and expertise of its personnel when pricing for tenders and to use all reasonable efforts to ensure that the Combined Group's bids for tenders accurately reflect the scope of work. Despite this, there is a risk that successful bids may not be accurately priced or scoped, which could result in unrecoverable cost overruns or less than expected revenues for the Combined Group. Cost overruns occurring across one or many of the Combined Group's projects may have a material and adverse impact on the Combined Group's financial performance and may impact the Combined Group's ability to maintain contracts or procure future contracts.

(f) Early mine closure

The Combined Group will enter into customer contracts for the provision of services in relation to individual mines which, when renewals and extensions are taken into account, can remain in force over extended periods of time. The Combined Group intends to deploy its equipment and personnel with a view to providing services in relation to the particular mine on a continual basis over the duration of a service contract's life. Early or unforeseeable closure of a mine could result in loss of expected revenues, and additional expenses for demobilisation, maintenance and storage of equipment used at that mine. Accordingly, this may have an adverse effect on the financial performance and/or financial position of the Combined Group.

(g) Contract delay

The Combined Group's performance will be influenced by its ability to win new contracts for the provision of drilling services and the successful commencement and completion of those contracts in a timely and efficient manner. Where new or existing contracts are delayed, the recognition of revenue and cash receipts for those contracts may be deferred to later accounting periods. This may adversely impact the financial performance and/or financial position of the Combined Group.

9. POTENTIAL RISK FACTORS

(h) Business interruptions

The Combined Group will operate in an industry where contract operations are vulnerable to the risk of interruption as a result of a variety of factors, many of which are beyond the Combined Group's control. These factors include (but are not limited to):

- (i) environmental issues, including inclement weather, which may delay contract performance or result in a complete shutdown of a project;
- (ii) extreme weather events such as cyclones, heavy rainfall, floods or fire;
- (iii) otherwise unstable weather conditions;
- (iv) unstable ground surfaces at drilling sites;
- (v) regulatory intervention;
- (vi) delays in necessary approvals and permits;
- (vii) supply bottlenecks or a scarcity of materials and equipment;
- (viii) equipment breakdowns or unavailability due to scheduled maintenance;
- (ix) industrial relations issues (including potential labour shortages);
- (x) variations to the nature or extent of contracted work; and
- (xi) an inability to access a customer's site for any other reason.

The manifestation of any such factors could adversely affect the Combined Group's operations, productivity and/or ability to engage in contracted drilling for its customers and may also cause a deferral or prevent receipt of anticipated revenues and/or result in the Combined Group incurring additional costs. Such issues may ultimately have an adverse effect on the financial performance and/or financial position of the Combined Group.

(i) Access to drilling rigs and equipment

Many of the drilling services that are intended to be provided by the Combined Group require the use of purpose-built drilling rigs and equipment. There is a risk that the Combined Group may have difficulty in gaining access to or obtaining the purpose-built rigs or equipment necessary to meet customer requirements, or adequate supplies of equipment at appropriate prices and in a timely manner, or that the quality of the available equipment may not be suitable for its intended use. The Combined Group may also not have access to the necessary capital investment to expand its rig fleet. In addition, there is also a risk that the Combined Group may have difficulty gaining access to or obtaining the subcomponents necessary for the Combined Group to manufacture its own drilling rigs. Any of these factors may constrain the Combined Group's ability to provide services and may ultimately have an adverse effect on its growth opportunities, financial performance and/or financial position.

(j) Labour shortages and cost of labour increases

The Combined Group's ability to remain productive, profitable and competitive, and to effect its planned growth initiatives, including increasing the number of drilling rigs in operation, will depend on the Combined Group's ability to attract and retain appropriately skilled and experienced personnel.

Specific factors that may affect the Combined Group's ability to attract and/or retain such personnel include:

- (i) the likely remote geographic location of some of the Combined Group's mining services projects, which will necessarily involve employees enduring harsh working conditions and travelling significant distances to service the needs of the Combined Group's clients. The nature of these working conditions and travel requirements can give rise to industry wide labour shortages to which the Combined Group is exposed and which may make it challenging to recruit employees with relevant industry and technical experience. An increase in utilisation of rigs may further tighten the labour market in key regions due to a shortage of skilled labour; and
- (ii) the significant competition to recruit appropriately skilled and experienced personnel in the mineral drilling contracting sector, which competition may further increase if demand for contract drilling services increases above current levels.

A failure to attract appropriately skilled and experienced personnel, or an inability to deploy such personnel at customers' sites for any other reason, may have a material and adverse impact on the financial performance, financial condition, cash flows, operations and growth prospects of the Combined Group, and in particular its ability to expand its business. In addition, any increases in remuneration paid to personnel will impact the Combined Group's profit margins if the Combined Group is unable to pass on those increases to its customers.

9. POTENTIAL RISK FACTORS

(k) Key Personnel

There is a risk that the Combined Group may lose the service of one or more of its key personnel and be unable to replace them or do so on terms that are equivalent to existing arrangements. The Combined Group will depend on the experience and expertise of its key personnel to oversee the day-to-day activities of the Combined Group and to implement its strategic plans.

If one or more of the Combined Group's key personnel were to exit the business, the Combined Group's capacity to effectively compete with its competitors may be impaired and its financial results may be adversely affected, potentially to a material extent.

(l) Health and safety

Site safety and occupational health and safety outcomes will be critical to the reputation of the Combined Group and its ability to be awarded contracts in the drilling services sector. A serious site safety incident could impact upon operations, reputation and brand, and financial outcomes for the Combined Group.

Given the industry and environment in which the Combined Group will operate, industrial accidents may occur in the course of the Combined Group's operations. Additionally, as the Combined Group intends to be an operator of drill rigs and associated equipment, there are inherent health and safety risks to people and equipment, including major safety incidents, general operational hazards, failure to comply with policies, terrorism and general health and safety. The consequences of such an event could result in substantial liability for the Combined Group, including as a result of claims brought against the Combined Group. An incident of this nature could also result in injuries, loss of life, environmental harm, disruption to business activities and reputational and brand damage and could adversely affect the financial performance and/or financial position of the Combined Group.

(m) Laws and regulations

There is a risk that the obligations of the proposed Combined Group pursuant to applicable laws, regulations and customer requirements may become increasingly complex and stringent, or become the subject of increasingly strict interpretation or enforcement. The terms of licenses and contracts may also include more stringent requirements than those provided for pursuant to applicable laws and regulations.

Failure to comply with applicable requirements or recognised standards may give rise to significant liabilities being incurred by the Combined Group, reputational and brand damage, loss of customer contracts, suspension of operations and increased costs.

(n) Operational risks and costs

The proposed Combined Group and its customers will be exposed to a range of operational risks. Such operational risks include equipment failures, information technology system failures, external services failures, industrial action or disputes, natural disasters and pandemics. A disruption to the operations of the Combined Group or its customers may have a material adverse impact on the financial performance and/or financial position of the Combined Group.

There is also a risk of unexpected increases in operating costs including labour, consumables (including fuel), insurance and maintenance, which may have a materially adverse effect on the Combined Group's operations, financial performance and financial position. Other cost increases may arise as a result of regulatory changes, for example through the increase or imposition of additional taxes.

(o) Remote locations

It is intended that the Combined Group will regularly undertake projects for its customers in remote locations. Undertaking projects in remote locations will expose the Combined Group to an increased risk of a shortage of skilled and general labour and potentially increase costs which may or may not be able to be passed on through rate increases. The Combined Group may also be exposed to a greater risk of logistical difficulties because of the remote locations of its customers' projects.

9. POTENTIAL RISK FACTORS

(p) Capital and maintenance expenditure

The Combined Group will require access to sufficient capital to fund the maintenance and replacement of its fleet of rigs, plant and equipment and any future expansion of its fleet. A failure or inability to obtain sufficient capital on favourable terms may hinder the Combined Group's ability to maintain and/or expand its fleet, and reduce the Combined Group's competitiveness. This may have an adverse effect on the financial performance and/or financial position of the Combined Group.

(q) Inability to identify, execute and manage acquisitions

The Combined Group will selectively evaluate investment opportunities and opportunities to acquire businesses to complement its organic growth. There is no assurance that suitable opportunities will be identified at a price and on terms acceptable to the Combined Group or that, if suitable opportunities are identified, that the Combined Group will be able to finance and complete the potential investments and acquisitions.

Any future investments and acquisitions may be subject to unanticipated risks and/or liabilities, or disrupt the Combined Group's operations and divert management's attention from day to day operations. In addition, there is no assurance that any such investments and acquisitions will be profitable or be successfully integrated into the Combined Group's operations, or that such investments, acquisitions or integrations will not have a material and adverse effect on the Combined Group's business, financial position, operations and prospects.

Any expansions into new geographies, whether organically or via acquisitions, would also bring additional geographical, regulatory and currency risk. There is a risk that operations, assets, employees or repatriation of revenues could be impaired by factors specific to the geographical regions into which the Combined Group may choose to expand.

(r) Damage to brand and reputation

The Combined Group's brands and reputation could be adversely impacted by a number of factors, including all of the risks identified in this section 9.2.

Specific factors that could adversely impact the Combined Group's brands and reputation include:

- (i) disruptions to, or a diminution in, the Combined Group's capacity to service its clients' requirements;
- (ii) customer dissatisfaction, including due to poor operational performance;
- (iii) health and safety or environmental incidents;
- (iv) any failure to appropriately implement the Combined Group's strategy; and
- (v) disputes or litigation with third parties such as regulatory bodies, employees, suppliers, customers or others with whom the Combined Group has business dealings.

Damage to the Combined Group's brands or reputation could have a material adverse effect on customer loyalty, relationships with suppliers, employee retention rates and demand for the Combined Group's services, any of which may result in an adverse impact on the Combined Group's financial performance and/or financial position.

(s) Intellectual property risks

The Combined Group's ability to leverage its innovation and expertise depends in part upon its ability to protect its intellectual property and any improvements to it, as well as the Combined Group's confidential information. Intellectual property that is important to the Combined Group will include its knowhow, trademarks, domain names, website, business names and logos. The Combined Group will rely on general law protections in respect of its intellectual property portfolio. If it became necessary for the Combined Group to bring or defend intellectual property enforcement proceedings, this may (like any contentious legal proceedings) result in significant costs being incurred by the Combined Group.

9. POTENTIAL RISK FACTORS

(t) Insurance risks

Insured or uninsured catastrophic events such as acts of God, fires, floods, pandemics and strikes may affect customer contracts and demand for drilling services, the availability of the Combined Group's drilling fleet, and the ability of the Combined Group to sustain its operations, generate revenue and recover operating costs.

Some events, including but not limited to those identified above, are not insurable, or the Combined Group will choose not to insure against them. If the Combined Group's drilling fleet or business is damaged as a result of an uninsured event, the Combined Group's financial position and financial condition may be adversely affected.

The Combined Group's insurance policies will also be subject to certain limitations, and there is a risk that an insured event could cause a loss materially in excess of the applicable policy limits, or that insurers do not have the resources to respond to the applicable policy.

There is also a risk that the Combined Group is unable to secure insurance to satisfactorily cover all anticipated risks, or that the cost of insurance will increase beyond anticipated levels. Accordingly, the Combined Group could be adversely impacted by increases in the cost of insurance premiums or an inability to access insurance coverage arising from circumstances that may or may not be related to the business of the Combined Group. Any of these factors, including where an insurer defaults in payment of a legitimate claim by the Combined Group under an insurance policy, could have an adverse impact on the Combined Group's financial performance and/or position.

(u) Future funding

While the DDH1 Directors believe that the Combined Group will have sufficient funds to fund its activities in the short term, the Combined Group is operating in a dynamic industry and there is the risk that the Combined Group may need additional debt or equity funding. There can be no guarantee that such funding will be available to the Combined Group on reasonable terms or at all. Any such failure to obtain funding on reasonable terms may result in a loss of business opportunity and/or excessive funding costs, including dilution to shareholders if equity funding is pursued.

(v) Credit risks

Credit risk is the risk that a customer or counterparty fails to meet its contractual obligations under a contract (or other instrument or arrangement) and results in a loss to the Combined Group. The Combined Group will be exposed to counterparty credit risk arising from its operating activities.

The Combined Group will seek to manage this risk by carefully assessing the risk profile of each counterparty with whom it does business, but there can be no assurance that this risk assessment process will avoid loss associated with a customer or other third party failing to meet its contractual obligations to the Combined Group.

(w) Foreign exchange

Doing business internationally will expose the Combined Group to risks related to fluctuations in foreign exchange rates. The functional currency for the Combined Group for accounting purposes will be Australian dollars. However, the Combined Group may earn revenues and incur expenditures in other currencies, principally denominated in the currency in the location in which activities are undertaken. In cases where the Combined Group's debt or other obligations are in currencies different to the functional currency of the borrowing entity, the Combined Group's earnings may be impacted positively or adversely as a result of fluctuations in exchange rates. As a result, the financial performance and results of the Combined Group will be impacted by the relative performance of the relevant currencies and conversion of costs and revenue to Australian dollars.

(x) Regulatory environment

The industry in which the Combined Group will operate is regulated by the various Australian state and federal government, as well as international governments. To the extent that the Combined Group fails to comply with relevant laws and regulations, it could be subject to monetary fines, suspension of operations or other penalties. Changes to the way in which the industry is regulated could also adversely affect the business or financial performance of the Combined Group. In addition, legislation and regulations could affect the Combined Group's mineral exploration customers and influence their decisions whether to conduct mineral exploration and development.

9. POTENTIAL RISK FACTORS

(y) Litigation

Litigation risks relating to the Combined Group, its subsidiaries or assets will include, but will not be limited to, contractual, environmental, occupational health and safety and employee claims, regulatory disputes, legal actions from special interest groups, as well as third party claims for damage or loss resulting from drilling actions. In addition to litigation risks, the Combined Group may also from time to time be subject to complaints, inquiries, investigations and audits.

Legal proceedings could have an adverse effect on the Combined Group's reputation and brand, and divert management and financial resources of the Combined Group while being resolved, including in instances where the proceedings are successfully resolved without material adverse effect on the Combined Group.

(z) Environmental

Environmental risks are inherent to the mining services sector. As a result, various environmental legislation and regulations could affect the operations of the Combined Group and its assets. Environmental legislation and regulations impose certain obligations and requirements on operators such as the Combined Group, establish standards and protections regarding certain aspects of health and the environment, provide for penalties and other liabilities for violation of such standards and protections, and establish obligations to remediate current facilities and locations where operations are, or were previously, conducted. There is a risk that such liabilities and obligations could be imposed on the Combined Group.

In addition, many of the potential customer contracts of the Combined Group's would likely contain broad indemnities in favour of the client for loss suffered by the client in connection with the services provided by the Combined Group. Such client loss may include costs incurred in connection with contamination caused by the Combined Group's activities.

Accordingly, in each case, there is a risk that liabilities and obligations associated with environmental incidents and risks could be imposed on, or borne by, the Combined Group.

(aa) General economic, financial and business conditions

The operating and financial performance of the Combined Group will be influenced by a variety of international and country-specific general economic, financial and business conditions (including inflation, interest rates and exchange rates), access to debt and capital markets, as well as monetary and regulatory policies. Global economic conditions and, in particular, economic conditions of countries such as the United States and China, influence activities in mineral exploration and the mining industry, which in turn has an effect on the demand for the drilling services which will be provided by the Combined Group.

A deterioration in domestic or international general economic conditions, including an increase in interest rates or a decrease in consumer or business demand, could have an adverse effect on the Combined Group's business, financial performance and financial position.

9.3 Risks to Swick Shareholders if the Scheme does not proceed

If the Scheme does not proceed:

- (i) Swick will remain listed on the ASX as a standalone entity;
- (ii) Swick Shareholders will retain their Swick Shares;
- (iii) the benefits anticipated from the Merger will not be realised; and
- (iv) Swick's transaction and other costs will still be incurred, subject to any off-set by way of break fee payment.

Further, if the Scheme is not implemented, the trading price of Swick Shares may change even in the absence of a change in any other factors that might ordinarily influence a share price. It is not possible to determine whether the price of Swick Shares will increase or decrease if the Scheme is not implemented.

9. POTENTIAL RISK FACTORS

9.4 General risks to an investment in Swick, DDH1 and the Combined Group

The operating and financial performance of Swick, DDH1 and the Combined Group is (or will be) influenced by the general business and economic variables that impact upon all entities listed on a stock exchange including changes in business and economic factors, such as interest rates, exchange rates, inflation, changes in national demographics, changes in governmental policy and changes to accounting or reporting standards.

The price at which Swick Shares and DDH1 Shares will trade on the ASX can be affected by a range of external factors over which neither Swick, nor DDH1, have any control.

(a) Economic factors

If the Scheme is implemented, the Combined Group will be a publicly listed company on the ASX and will be subject to general market risk that is inherent in all securities listed and traded on a securities exchange. This may result in fluctuations in the share price that are not explained by the fundamental operations and activities of the Combined Group.

Factors affecting the price of shares quoted on the ASX could include but are not limited to:

- (i) the number of potential buyers or sellers of shares on the ASX at any given time;
- (ii) fluctuations in the domestic and international markets for listed stocks;
- (iii) general economic conditions including the unemployment rate, interest rates, inflation rates, exchange rates, commodity and oil prices, and changes to government fiscal, monetary or regulatory policies, legislation or regulation;
- (iv) recommendations by brokers or research analysts;
- (v) inclusion in, or removal from, market indices;
- (vi) global hostilities, tensions or acts of terrorism;
- (vii) the nature of the markets in which the Combined Group operates; and
- (viii) general operational and business risks.

These factors may cause New DDH1 Shares to trade at prices below the price at which DDH1 Shares are currently traded. There is no assurance that the price of shares will increase following the issue of New DDH1 Shares, even if the Combined Group's earnings increase.

General economic conditions (both domestically and internationally) may adversely impact on the price of the shares, as well as the Combined Group's ability to pay dividends. This includes an increase in unemployment rates, negative consumer and business sentiment and changes in interest rates, among other factors.

(b) Dividends, distributions and franking credits

The payment of dividends by the Combined Group will be determined by the Combined Group Board from time-to-time at its discretion subject to compliance with legislative requirements and other factors, including financial performance and profits derived from operations. As such, there is no assurance that the Combined Group will pay dividends, that there will be franking credits attaching to any dividends paid, or that the current target payout ratio (30% to 50% of normalised NPATA) will be maintained. In addition, circumstances may arise where the Combined Group Board may determine that the Combined Group will reduce or cease paying dividends for a period of time.

9. POTENTIAL RISK FACTORS

(c) Taxation changes

Tax laws are complex and are subject to change periodically as is their interpretation by the relevant courts and the tax revenue authorities. Changes in tax law (including transfer pricing, GST, stamp duties and employment taxes), or changes in the way tax laws are interpreted may impact the tax liabilities of the Combined Group, shareholder returns, the level of dividend imputation or franking, or the tax treatment of a shareholder's investment.

In particular, both the level and basis of taxation may change. The tax information provided in this Scheme Booklet is based on current taxation law as at the date of this Scheme Booklet. Tax law is frequently being changed, both prospectively and retrospectively.

In addition, tax authorities may review the tax treatment of transactions entered into by the Combined Group. Any actual or alleged failure to comply with, or any change in the application or interpretation of, tax rules applied in respect of such transactions, may increase the Combined Group's tax liabilities or expose it to legal, regulatory or other actions.

(d) Force majeure events

Events may occur within or outside Australia that could impact upon the global and Australian economies, the operations of the Combined Group, or the price of the shares. These events include, but are not limited to, terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other man-made or natural events or occurrences that can have an adverse effect on the demand for the Combined Group's products and services.

(e) Epidemics and pandemics

In addition to force majeure events mentioned in section 9.4(d) above, a rapid spread of infectious disease to a large number of people within a short period of time may occur within or outside Australia. In particular, a pandemic similar in nature to the 2002-03 outbreak of Severe Acute Respiratory Syndrome (SARS), the 2009 swine flu outbreak, or the 2019-20 COVID-19 outbreak may adversely affect general economic sentiment, the global economy, stock markets and other financial markets. COVID-19 is currently of significant concern to the worldwide community and has affected the near and medium term outlook for the global economy. Given the evolving situation, it is difficult to predict the nature and extent of the risk and the impact on the Combined Group. The impact of the virus on consumer sentiment, demand and confidence generally could materially adversely affect the Combined Group's operations and/or financial performance.

(f) Expected future event may not occur

Certain statements in this Scheme Booklet may constitute forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements of the Combined Group to be materially different from those expressed or implied by such forward-looking statements.

Given these uncertainties, Swick Shareholders should not place undue reliance on forward-looking statements. In addition, under no circumstances should forward-looking statements be regarded as a representation or warranty by the Combined Group or any other person referred to in this Scheme Booklet that a particular outcome or future event is guaranteed.

9. POTENTIAL RISK FACTORS

9.5 Scheme implementation specific risks

The following risks have been identified as being key risks specific to the implementation of the Scheme. These risks have the potential to have a significant adverse impact on the Combined Group and may affect the Combined Group's financial position, prospects and price of its listed securities.

(a) Integration risk

The long-term success of the Combined Group will depend, amongst other things, on the success of management in integrating the respective businesses, and the strength of management of the Combined Group. There is no guarantee that the businesses of the Combined Group will be able to be integrated successfully within a reasonable period of time. There are risks that any integration of the businesses of Swick and DDH1 may take longer than expected and that anticipated efficiencies and benefits of that integration may be less than estimated. These risks include possible differences in the management culture of the two groups, inability to achieve synergy benefits and cost savings, and the potential loss of key personnel.

Any failure by the Combined Group to ensure implementation costs remain below those anticipated may have a material adverse effect on the financial performance and position, and prospects, of the Combined Group.

(b) Change in risk profile and risks of investment in the Combined Group

If the Scheme is implemented, there will be a change in the risk profile to which Swick Shareholders are exposed. Swick Shareholders are currently exposed to various risks as a result of their investment in Swick. If the Scheme is approved, Swick will become a wholly owned subsidiary of DDH1 and Swick Shareholders (other than Ineligible Overseas Shareholders) will receive New DDH1 Shares.

As a consequence, Swick Shareholders will be exposed to risk factors relating to DDH1, and to certain additional risks relating to the Combined Group and the integration of the two companies. In many cases, those risks are different from or additional to those currently faced by Swick Shareholders.

(c) Satisfaction or waiver of conditions precedent

Implementation of the Scheme is subject to a number of conditions precedent which are summarised in section 11.2 and set out in full in clause 3.1 of the Scheme Implementation Agreement. There can be no certainty, nor can Swick provide any assurance, that these conditions will be satisfied or waived (where applicable), or if satisfied or waived (where applicable), when that will occur.

In addition, there are a number of conditions precedent to the Scheme which are outside the control of Swick, including, but not limited to, approval of the Scheme by the Requisite Majority of Swick Shareholders and required regulatory and third party approvals and consents.

If for any reason the conditions to the Scheme Conditions are not satisfied or waived (where applicable) and the Scheme is not completed, the market price of Swick Shares may be adversely affected.

(d) Break fee

Under the Scheme Implementation Agreement, a break fee of \$994,000 (excluding GST) may become payable by one party to the other in certain circumstances.

9. POTENTIAL RISK FACTORS

(e) Termination rights

Swick and DDH1 each have the right to terminate the Scheme Implementation Agreement in the circumstances described in section 12.9 of this Scheme Booklet. As such, there is no certainty that the Scheme Implementation Agreement will not be terminated before the Scheme is implemented.

If the Scheme Implementation Agreement is terminated, Swick can provide no assurances that another party would be willing to offer the same or greater price for Swick Shares than that which is offered under the Scheme Implementation Agreement and the Scheme.

(f) Issue of New DDH1 Shares

If the Scheme is implemented, a significant number of New DDH1 Shares will be available for trading in the public market. The increase in the number of DDH1 Shares may lead to sales of such shares or the perception that such sales may occur, either of which may adversely affect the market price of DDH1 Shares.

(g) The exact value of the Scheme Consideration is not certain

Under the terms of the Merger, Swick Shareholders will receive 0.2970 New DDH1 Shares for every 1 Swick Share they hold at the Record Date. The exact value of this Scheme Consideration that would be realised by individual Swick Shareholders will be dependent on the price at which the New DDH1 Shares trade on the ASX after the Implementation Date.

In addition, a nominee of DDH1 will be issued New DDH1 Shares attributable to Ineligible Overseas Shareholders and that nominee will sell them on market as soon as reasonably practicable after the Implementation Date. It is possible that such sales may exert downward pressure on the Combined Group's share price during the applicable period.

In any event, there is no guarantee regarding the prices that will be realised by the nominee or the future market price of the New DDH1 Shares. Future market prices may be either above or below current or historical market prices.

(h) Tax consequences for Swick Shareholders

If the Scheme is implemented, there may be tax consequences for Swick Shareholders which may include tax payable on any gain on the disposal of Swick shares. However, Swick Shareholders should seek their own professional advice regarding the individual tax consequences applicable to them.

(i) Other risks

Additional risks and uncertainties not currently known to Swick or DDH1 may also have a material adverse effect on Swick or DDH1's business, and that of the Combined Group, and the information set out above does not purport to be, nor should it be construed as representing, an exhaustive list of the risks to Swick, DDH1 or the Combined Group.

10. AUSTRALIAN TAX IMPLICATIONS

The following section contains a general overview of the Australian income tax including Capital Gains Tax (**CGT**), Goods and Services Tax (**GST**) and stamp duty (**Duty**) implications for certain Australian and foreign resident Swick Shareholders of the proposed Scheme.

10.1 Introduction

The categories of Swick Shareholders considered in this summary are limited to individuals, companies (other than life insurance companies), trusts and complying superannuation funds that hold their Swick Shares on capital account.

The tax comments in this section do not include consideration of the tax implications of the vesting of Swick Performance Rights or cancellation of Swick Warrants which will both occur prior to the Scheme Record Date.

The tax comments set out below are relevant only to certain Swick Shareholders and does not address the Australian income tax consequences for Scheme Shareholders who:

- + hold their Swick Shares as a revenue asset (i.e. trading entities or entities who acquired their Swick Shares for the purposes of resale at a profit) or as trading stock;
- + acquired their Swick Shares before 20 September 1985;
- + are partnerships or individuals who are partners of such partnerships;
- + hold their Swick Shares as an asset in a business that is carried on through a permanent establishment in Australia;
- + acquired their Swick Shares pursuant to an employee share, option or rights plan of Swick;
- + are under a legal disability;
- + are exempt from Australian income tax;
- + are Ineligible Overseas Shareholders;
- + are subject to the taxation of financial arrangements rules in Division 230 of the *Income Tax Assessment Act 1997 (ITAA 1997)* in relation to gains and losses on their Swick Shares;
- + are subject to the Investment Manager Regime under Subdivision 842-I of the ITAA 1997 in respect of their Swick Shares; or
- + are a significant stakeholder or common stakeholder as defined in Section 124-783 of the ITAA 1997.

This summary is prepared solely for Swick Shareholders as described and limited above. This summary has been prepared for the purpose of enabling certain Swick Shareholders to broadly understand certain Australian taxation implications of the proposed Scheme as outlined in this Scheme Booklet.

This tax summary is based on the Australian tax law, and the practice of the tax authorities, at the time of issue of this Scheme Booklet. The laws are complex and subject to change periodically as is their interpretation by the courts and the tax authorities. This summary is general in nature and is not intended to be an authoritative or complete statement of the applicable law. This summary does not take into account the tax law of countries other than Australia. The precise implications of ownership or disposal of Swick Shares will depend upon each Swick Shareholder's specific circumstances. These comments should not be a substitute for advice from an appropriate professional advisor having regard to each Swick Shareholder's individual circumstances. All Swick Shareholders are strongly advised to obtain and rely only on their own professional advice on the tax implications based on their own specific circumstances.

10.2 Australian tax resident shareholders

This section applies to Swick Shareholders who are residents of Australia for income tax purposes. If the Scheme is implemented, DDH1 will acquire all Swick Shares from Swick Shareholders. Swick Shareholders (other than Ineligible Overseas Shareholders) will receive the Scheme Consideration at the exchange ratio of 0.2970 New DDH1 Shares for every 1 Swick Share on the Effective Date.

(a) CGT event on the disposal of Swick Shares to DDH1

The disposal of the Swick Shares to DDH1 under the Scheme will give rise to CGT event A1 for Swick Shareholders. The timing of the CGT event for the Swick Shareholders should be the date the Swick Shares are disposed of, which will occur on the Implementation Date.

10. AUSTRALIAN TAX IMPLICATIONS

(b) Calculation of capital gain or loss

In the absence of CGT roll-over relief (discussed at section 10.3 below), the disposal of Swick Shares to DDH1 under the Scheme will give rise to CGT event A1 for Swick Shareholders. Swick Shareholders will either:

- + make a capital gain if the Scheme Consideration (i.e. market value of New DDH1 Shares) received by the Swick Shareholders on the exchange of their Swick Shares is greater than the cost base of their Swick Shares; or
- + make a capital loss if the Scheme Consideration (i.e. market value of New DDH1 Shares) received by Swick Shareholders on the exchange of their Swick Shares is less than the reduced cost base of their Swick Shares.

Capital losses can only be offset against capital gains derived in the same income year or later income years but cannot be offset against ordinary income nor carried back to offset net capital gains arising in earlier income years. Specific loss recoupment rules apply to companies which must be satisfied if those carry forward tax losses are to be used in future years. Swick Shareholders should seek their own tax advice in relation to the operation of these rules.

(c) Capital proceeds received by Swick Shareholders

The capital proceeds on the disposal of the Swick Shares should be equal to the Scheme Consideration received by the Swick Shareholders.

Therefore, the capital proceeds should be equal to the market value of the New DDH1 Shares (or cash in the case of an Ineligible Overseas Shareholder) received by the Swick Shareholders. DDH1 will determine the relevant market value of the New DDH1 Shares for the Swick Shareholders following the implementation of the Scheme and publish this on the DDH1 and Swick investor websites.

(d) Cost base and reduced cost base of Swick Shares

The calculation of cost base will generally include the amount paid, and the market value of any property given to acquire Swick Shares, plus certain incidental costs of acquisition and disposal (such as brokerage fees, legal fees and stamp duty) that are not otherwise deductible to the Swick Shareholder and the cost base may require adjustment in certain circumstances (for example, where there has been a capital return). The reduced cost base of Swick Shares of a Scheme Shareholder will be similarly determined although some differences on the calculation of reduced cost base do exist depending on the Swick Shareholder's individual circumstances. The calculation of cost base and reduced cost base will be different for each Swick Shareholder depending upon their individual circumstances.

(e) CGT discount

Individuals, complying superannuation entities or trusts that have held, or are taken to have held) their Swick Shares for at least 12 months (not including the date of acquisition or the date of disposal) before the Implementation Date may be entitled to benefit from the CGT discount to reduce the amount of any capital gain (after application of capital losses) from the disposal of their Swick Shares by:

- + one-half in the case of individuals and trustees: meaning only 50% of the capital gain will be included in assessable income; and
- + one-third for complying superannuation entities: meaning only two-thirds of the capital gain will be included in assessable income.

The CGT discount will not be available to a Swick Shareholder that is a company.

If the Swick Shareholder makes a discounted capital gain, any current year and/or carried forward capital losses will be applied to reduce the undiscounted capital gain before the relevant CGT discount is applied. The resulting amount is then included in the Swick Shareholder's net capital gain for the income year and included in assessable income.

The CGT discount rules relating to trusts are complex. Subject to certain requirements being satisfied, the capital may flow through to the beneficiaries in that trust, who will assess eligibility for the CGT discount in their own right. Accordingly, we recommend trustees seek their own independent advice on how the CGT discount applies to them and the trust's beneficiaries.

10. AUSTRALIAN TAX IMPLICATIONS

10.3 Availability of CGT scrip-for-scrip roll-over relief

As DDH1 will become the owner of 80% or more of the shares in Swick under the Scheme, Swick Shareholders who make a capital gain from the disposal of their Swick Shares should generally be eligible to choose CGT scrip-for-scrip roll-over relief.

Broadly CGT scrip-for-scrip roll-over relief enables Swick Shareholders to disregard the capital gain they make from the disposal of their Swick Shares under the Scheme.

Swick Shareholders do not need to inform the ATO, or document their choice to claim CGT scrip-for-scrip roll-over relief in any particular way, other than to complete their income tax return in a manner consistent with their choice.

Swick Shareholders should note that Swick has not and does not intend to apply for a class ruling from the ATO on the applicability of the CGT scrip-for-scrip roll-over relief. Swick Shareholders should seek independent professional advice to confirm the eligibility for CGT roll-over relief in light of their own specific circumstances.

(a) Consequences for choosing scrip-for-scrip roll-over relief

If a Swick Shareholder chooses to obtain CGT scrip-for-scrip roll-over relief, the capital gain arising on the disposal of their Swick Share should be disregarded.

The first element of the cost base for their New DDH1 Shares is then determined by attributing, on a reasonable basis, the existing cost base of the Swick Shares exchanged under the Scheme. The first element of the reduced cost base is determined similarly.

For the purposes of determining a Swick Shareholder's future eligibility for the CGT discount, the acquisition date of the New DDH1 Shares is taken to be the date when the relevant Swick Shareholder originally acquired their Swick Shares.

(b) Consequences if CGT scrip-for-scrip roll-over is not available or is not chosen

If a Swick Shareholder does not qualify for CGT scrip-for-scrip roll-over relief, or the Swick Shareholder chooses not to obtain CGT scrip-for-scrip roll-over relief, the general CGT treatment outlined at section 10.2(a) will apply.

If a Swick Shareholder makes a capital loss from the disposal of their Swick Shares, this loss may be used to offset capital gains in the same or subsequent years of income (subject to satisfying certain conditions). The capital loss cannot be offset against ordinary income or carried back to offset net capital gains arising in earlier income years.

The first element of the cost base (and reduced cost base) of the New DDH1 Shares received by a Swick Shareholder should be equal to the market value of the Swick Shares it exchanges for the New DDH1 Shares. In the absence of any contrary indication of the value of the Swick Shares, their market value could be taken to be equal to the market value of the New DDH1 Shares on the date the New DDH1 Shares are issued (being the Implementation Date) (of which value will be published by DDH1 as described above).

The acquisition date of the New DDH1 Shares for Swick Shareholders should be the Implementation Date. This date will be relevant for any future application of the CGT discount with respect to CGT events occurring in respect of the New DDH1 Shares. This means a Swick Shareholder will need to hold their New DDH1 Shares for at least 12 months after that date before the CGT discount (as described above) may apply on a subsequent disposal of the New DDH1 Shares.

10.4 Ongoing ownership of DDH1 Shares

Generally, a Scheme Shareholder will be required to include in its assessable income the gross amount of any dividends it received from DDH1 when those dividends are paid or credited to them. To the extent DDH1 pays franked dividends, a franking tax offset may also be available.

On a future disposal of DDH1 Shares, Scheme Shareholders may make a capital gain if the capital proceeds of that disposal are more than the cost base or a capital loss if the proceeds of that disposal are less than the reduced cost base. The cost base and acquisition date of the DDH1 Shares, and eligibility for the CGT discount, are as described earlier.

10. AUSTRALIAN TAX IMPLICATIONS

10.5 Foreign tax resident shareholders

For any Swick Shareholder who:

- (a) is not a resident of Australia for Australian income tax purposes; and
- (b) does not hold their Swick Shares in carrying on a business through a permanent establishment in Australia;

the disposal of Swick Shares should generally only result in Australian CGT implications if:

- (c) that Swick Shareholder, together with its associates (as defined in the income tax legislation), held a combined interest of 10% or more in Swick at the time of disposal or for a 12-month period within two years preceding the disposal (referred to as a “non-portfolio interest”); and
- (d) more than 50% of the market value of Swick’s assets is attributable to direct or indirect interests in “taxable Australian real property” (as defined in the income tax legislation).

Swick considers that currently and up to Implementation Date, less than 50% of the market value of Swick’s assets is attributable to direct or indirect interests in “taxable Australian real property”, non-resident shareholders who do not hold their Swick Shares in carrying on a business through a permanent establishment in Australia should not be subject to CGT as a result of the Scheme.

A foreign resident CGT withholding tax of 12.5% applies to transactions involving the acquisition of the legal ownership of an asset that is an indirect Australian real property interest. Swick considers that less than 50% of the market value of Swick’s assets are attributable to direct or indirect “taxable Australian real property”. On this basis, the foreign resident CGT withholding tax should not apply.

Any foreign resident individual Swick Shareholder who was previously a resident of Australia and chose to disregard a capital gain or capital loss on ceasing to be an Australian resident will be subject to Australian CGT consequences on disposal of their Swick Shares as set out in sections 10.2 and 10.3, although the CGT discount should only be available to the extent of the period that the foreign resident individual Swick Shareholder was an Australian tax resident.

Swick Shareholders who are non-residents for Australian tax purposes should seek their own independent professional tax advice as to the tax implications of the Scheme in relation to their own particular circumstances, including in their country of residence.

10.6 Duty

No stamp duty should be payable by Swick Shareholders in any Australian State or Territory on the acquisition by DDH1 of their Swick Shares under the Scheme or on receipt by Swick Shareholders of the New DDH1 Shares as Scheme Consideration.

10.7 Goods and Services Tax

Swick Shareholders should not be liable to Australian GST in respect of a disposal of their Swick Shares to DDH1 under the Scheme, regardless of whether the Swick Shareholder is registered for GST or not.

Swick Shareholders may be charged GST on costs that relate to the Scheme such as adviser fees relating to their participation in the Scheme. Swick Shareholders that are registered for GST may be entitled to input tax credits or reduced input tax credits for such costs but should seek independent professional tax advice in relation to their individual circumstances.

11. IMPLEMENTING THE SCHEME

This section provides an overview of the Scheme Conditions, the Scheme Meeting, and other steps required to implement the Scheme.

11.1 Actions already undertaken by Swick and DDH1

Swick, DDH1 and DDH1 FinCo entered into the Scheme Implementation Agreement on 21 October 2021 in which they agreed (among other things) their respective obligations in implementing the Scheme. The key terms of the Scheme Implementation Agreement not otherwise addressed in this section, are summarised in section 12. A full copy of the Scheme Implementation Agreement was released on the ASX on 22 October 2021 and is available on Swick's website (www.swickmining.com). Since signing the Scheme Implementation Agreement, Swick and DDH1 have undertaken the following activities to progress the implementation of the Scheme.

(a) Appointment of Independent Expert

Swick commissioned the Independent Expert, Grant Thornton, to prepare a report on whether the Scheme is in the best interests of Swick Shareholders.

The Independent Expert has concluded that, in the absence of a Superior Proposal emerging, the Scheme is fair and reasonable and therefore in the best interests of Swick Shareholders.

The Independent Expert's Report is set out in Annexure A of this Scheme Booklet.

(b) Appointment of Investigating Accountant

Swick commissioned the Investigating Accountant, Grant Thornton, to prepare the Investigating Accountant's Report in respect of the Combined Group Unaudited Pro Forma Historical Consolidated Financial Information.

The Investigating Accountant's Report is set out in Annexure G of this Scheme Booklet.

(c) Execution of Deed Poll by DDH1 and DDH1 FinCo

DDH1 and DDH1 FinCo executed the Deed Poll dated 15 December 2021 in favour of each Scheme Shareholder, pursuant to which DDH1 and DDH1 FinCo covenants to perform its obligations under the Scheme Implementation Agreement and the Scheme. The key obligation of DDH1 under the Scheme is to issue the Scheme Consideration to each Scheme Shareholder, subject to satisfaction of the Scheme Conditions.

The Deed Poll may be relied upon by a Scheme Shareholder, despite the fact that they are not a party to it, and each Scheme Shareholder appoints Swick and each of its directors and officers (jointly and each of them severally) as its agent and attorney to enforce their rights under the Deed Poll against DDH1 and/or DDH1 FinCo.

The Deed Poll is governed by the laws of Western Australia.

A copy of the Deed Poll is set out in full at Annexure C of this Scheme Booklet.

(d) Execution of Warrant Termination Deeds

Each Warrant Holder has entered into a Warrant Termination Deed with Swick for the cancellation of their Swick Warrants.

Under the Warrant Termination Deed, a Warrant Holder agrees to the cancellation of its Swick Warrants in exchange for Swick paying them (or their nominee) the Warrant Consideration. See section 5.9 for further information on the Warrant Consideration.

Swick has obtained a waiver from ASX of the requirements of ASX Listing Rule 6.23.2 to permit the Swick Warrants to be cancelled for consideration without requiring Swick Shareholder approval to be obtained. Refer to sections 5.9 and 13.15 for further details.

In any event, Swick must procure that all outstanding Swick Warrants either vest, lapse or otherwise be cancelled or terminated before the Record Date. Refer to section 5.9 for further information.

11. IMPLEMENTING THE SCHEME

(e) Lodgement of draft Scheme Booklet with ASIC

On 26 November 2021, Swick lodged a draft of this Scheme Booklet with ASIC pursuant to section 411(2)(b) of the Corporations Act. On 17 December 2021, ASIC registered the Scheme Booklet for the purposes of section 412(6) of the Corporations Act.

Swick has requested ASIC provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the time of the Second Court Hearing.

Swick has also lodged a copy of this Scheme Booklet with the ASX.

Neither ASIC, ASX nor any of their officers takes any responsibility for the contents of this Scheme Booklet.

(f) First Court Hearing and Scheme Meeting

On 16 December 2021, the Supreme Court of Western Australia ordered Swick to convene a meeting of Swick Shareholders to consider and vote on the Scheme. The Scheme Meeting to consider the Scheme will be held at Aloft Perth at 27 Rowe Avenue, Rivervale, WA 6103 on Monday, 17 January 2022. The Scheme Meeting will commence at 10.00am (AWST time).

For the Scheme to proceed, the Scheme Resolution must be passed at the Scheme Meeting. Details of how to vote at the Scheme Meeting are set out at the beginning of this Scheme Booklet in the section entitled "Meeting details and how to vote".

A copy of the Notice of Scheme Meeting is set out in Annexure D of this Scheme Booklet.

The fact that under section 411(1) of the Corporations Act the Court ordered on 16 December 2021 that a meeting of Swick Shareholders be convened by Swick to consider and vote on the Scheme and has approved the Scheme Booklet does not mean that the Court:

- (i) has formed any view as to the merits of the proposed Scheme or as to how Swick Shareholders should vote (on this matter, Swick Shareholders must reach their own decision); and
- (ii) has prepared, or is responsible for, the content of this Scheme Booklet.

11.2 Scheme Conditions

Implementation of the Scheme is subject to satisfaction of the applicable Scheme Conditions. The Scheme Conditions are set out in clause 3.1 of the Scheme Implementation Agreement.

Certain Scheme Conditions set out in the Scheme and the Scheme Implementation Agreement have already been satisfied, including the execution of the Demerger Implementation Agreement by Swick and Oreplore on 12 November 2021.

The Scheme Conditions that remain outstanding as at the date of this Scheme Booklet are set out in the table below.

For the Scheme to be implemented, each Scheme Condition must be satisfied by the due date (if any) fixed for its satisfaction as set out in the table below (or otherwise waived to the extent it is capable of waiver).

As at the date of this Scheme Booklet, Swick is not aware of any circumstances that would cause the Scheme Conditions to not be satisfied. Swick Shareholders will receive an update on the status of the Scheme Conditions at the Scheme Meeting.

Swick will also announce to the ASX any relevant matter that affects the Scheme or the likelihood of a Scheme Condition being satisfied or not being satisfied, in accordance with Swick's continuous disclosure obligations. These details will be published on the ASX's website (www.asx.com.au) and will also appear on Swick's website (www.swickmining.com).

11. IMPLEMENTING THE SCHEME

SCHEME CONDITION	
1.	<p>Scheme Shareholder approval</p> <p>Swick Shareholders approve the Scheme by the majorities required under section 411(4)(a)(ii) of the Corporations Act.</p>
2.	<p>Court approval of the Scheme</p> <p>The Court approves the Scheme in accordance with paragraph 411(4)(b) of the Corporations Act.</p>
3.	<p>FIRB Approval</p> <p>Before the Scheme Meeting, the Treasurer has either:</p> <p>(a) provided written notice that there is no objection under the Foreign Acquisitions and Takeovers Act to the proposed acquisition by DDH1 and DDH1 FinCo under the Transaction, with the notice of no objection being either unconditional or subject only to:</p> <ol style="list-style-type: none"> a. the Taxation Conditions; and/or b. other conditions which are reasonably acceptable to DDH1; or <p>(b) become precluded from exercising any power to make an order under the Foreign Acquisitions and Takeovers Act in relation to the Scheme.</p>
4.	<p>Orexplore Demerger approval</p> <p>Swick Shareholders approve the Orexplore Demerger in accordance with sections 256B and 256C of the Corporations Act and ASX Listing Rule 11.4.1(b).</p>
5.	<p>Liability under the Demerger Agreement</p> <p>No liability arises and becomes payable by Swick (or any member of the Swick Group) under the Demerger Agreement which is in excess of (including any Taxes, duties and tax costs, grossed up for any Taxes payable by Swick on any such payment) the maximum recovery amount under the Demerger Agreement.</p>
6.	<p>Regulatory Approvals</p> <p>On or before the Delivery Time, all consents, waivers and approvals from a Regulatory Authority which Swick and DDH1 (acting reasonably) agree in writing are necessary to implement the Scheme are granted or obtained and none of those consents, waivers and approvals have been withdrawn, cancelled or revoked.</p> <p>For the avoidance of doubt, this includes, but is not limited to, ASIC and ASX having issued or provided such consents or approvals or having done such other acts which Swick and DDH1 agree (acting reasonably) are necessary to implement the Scheme, or DDH1 having done such other acts which Swick and DDH1 (acting reasonably) agree are necessary to implement the Scheme.</p> <p>If such consents, approvals or other acts are subject to conditions, those conditions must be acceptable to Swick and DDH1 (acting reasonably).</p>

11. IMPLEMENTING THE SCHEME

SCHEME CONDITION	
7.	<p>No restraint</p> <p>No temporary restraining order, preliminary or permanent injunction or other temporary, preliminary or final order issued by any court of competent jurisdiction, no preliminary or final decision, determination, notice of objection, or order issued by any Regulatory Authority or any other legal restraint preventing any of the transactions contemplated by the Scheme Implementation Agreement is in effect at the Delivery Time.</p>
8.	<p>Independent Expert's Report</p> <p>The Independent Expert's Report concludes that the Scheme is in the best interests of Swick Shareholders on or before the date on which the Scheme Booklet is registered by ASIC under the Corporations Act and the Independent Expert does not change or publicly withdraw that conclusion prior to the Delivery Time.</p>
9.	<p>Change of Control Contracts</p> <p>On or before the Delivery Time, Swick has received a copy of each consent or waiver required under the Change of Control Contracts to the change of control of Swick resulting from the Transaction, and such consents or waivers have not been withdrawn, suspended or revoked.</p>
10.	<p>No Material Adverse Change</p> <p>No Material Adverse Change occurs before the Delivery Time.</p>
11.	<p>No Prescribed Occurrence</p> <p>No Prescribed Occurrence occurs, and Swick is not in material breach of clause 6.1 of the Scheme Implementation Agreement, before the Delivery Time.</p>
12.	<p>Swick Warranties</p> <p>Swick Warranties are true and correct in all material respects as at the time they are given or made.</p>
13.	<p>DDH1 Warranties</p> <p>DDH1 Warranties are true and correct in all material respects as at the time they are given or made.</p>
14.	<p>No DDH1 Material Adverse Change</p> <p>No DDH1 Material Adverse Change occurs before the Delivery Time.</p>
15.	<p>No DDH1 Prescribed Occurrence</p> <p>No DDH1 Material Adverse Change occurs before the Delivery Time.</p>
16.	<p>Quotation of New DDH1 Shares</p> <p>The New DDH1 Shares to be issued to Scheme Shareholders pursuant to the Scheme have been approved for official quotation by ASX (any such approval may be subject to customary conditions and to the Scheme becoming Effective) before the Delivery Time.</p>

11. IMPLEMENTING THE SCHEME

11.3 Court approval

In accordance with section 411(4)(b) of the Corporations Act, in order to become Effective, the Scheme (with or without modification) must be approved by an order of the Court. If the Scheme is approved at the Scheme Meeting, Swick will apply to the Court for the necessary orders to give effect to the Scheme.

The Court may refuse to grant the orders referred to above even if the Scheme is approved by the Requisite Majority of Swick Shareholders.

Each Swick Shareholder has the right to appear at Court at the hearing of the application by Swick for orders approving the Scheme. Any Swick Shareholder who wishes to object to the Scheme at that Court hearing or make a complaint to ASIC about the Scheme should note that the Court hearing for approval of the Scheme is expected to be held on Thursday, 16 December 2021. The Court has an overriding discretion regarding whether or not to approve the Scheme, even if the Scheme is approved by the Requisite Majority of Swick Shareholders at the Scheme Meeting.

11.4 Scheme Meeting

The Scheme Meeting to consider the Scheme is scheduled to be held at Aloft Perth at 27 Rowe Avenue, Rivervale, WA 6103 on Monday, 17 January 2022. The Scheme Meeting will commence at 10.00am (AWST time).

The Court has ordered that Swick convene the Scheme Meeting for the purposes of Swick Shareholders voting on the Scheme. The order of the Court to convene the Scheme Meeting is not, and should not be treated as, an endorsement by the Court of (or any other expression of opinion by the Court on) the Scheme.

For the Scheme to be implemented, it is necessary that the Requisite Majority of Swick Shareholders vote in favour of passing the resolution to approve the Scheme at the Scheme Meeting.

To pass the Scheme Resolution, votes in favour of the Scheme must be cast by:

- (a) a majority in number (more than 50%) of Swick Shareholders present and voting at the Scheme Meeting (either in person or by appointing a proxy, attorney or corporate representative to attend and vote at the Scheme Meeting on their behalf) (the Court has discretion to waive this requirement if it considers it appropriate to do so); and
- (b) at least 75% of the total number of votes cast on the Scheme Resolution by Swick Shareholders present and voting at the Scheme Meeting (either in person or by appointing a proxy, attorney or corporate representative to attend and vote at the Scheme Meeting on their behalf).

Voting is not compulsory. However, the Swick Directors unanimously recommend that Swick Shareholders vote in favour of the Scheme in the absence of a Superior Proposal, and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Swick Shareholders.

You should be aware that even if you do not vote, or vote against the Scheme, the Scheme may still be implemented if it is approved by the Requisite Majority of Swick Shareholders and the Court. If this occurs, your Swick Shares will be transferred to DDH1 and you will receive the Scheme Consideration even though you did not vote on, or voted against, the Scheme.

11.5 Steps after approval of the Scheme by Swick Shareholders at the Scheme Meeting but before the Second Court Date

If the Requisite Majority of Swick Shareholders approve the Scheme at the Scheme Meeting, Swick will, as soon as possible after the Scheme Meeting is held, announce the results of the Swick Shareholders' vote to the ASX and will publish the results on Swick's website (www.swickmining.com).

11. IMPLEMENTING THE SCHEME

11.6 Steps after Court approval at the Second Court Hearing

Swick and DDH1 have agreed that, if the Court makes orders approving the Scheme, Swick and DDH1 will take or procure the taking of the steps required for the Scheme to proceed, including:

(a) Record Date

Swick Shareholders will be entitled to receive the Scheme Consideration under the Scheme if they are registered as holders of Swick Shares at 5.00pm (AWST time) on the Record Date. The Record Date is expected to be Wednesday, 9 February 2022.

Dealings on or prior to the Record Date

For the purposes of determining which Swick Shareholders are eligible to participate in the Scheme, dealings in Swick Shares will be recognised only if:

- (i) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Swick Share Register as the holder of the relevant Swick Shares by the Record Date; and
- (ii) in all other cases, registrable transfers or transmission applications in respect of those dealings are received by the Record Date at the place where the Swick Share Register is kept.

For the purposes of determining entitlements under the Scheme, Swick will not accept for registration or recognise for any purpose (except a transfer to DDH1 FinCo pursuant to the Scheme and any subsequent transfer by DDH1 FinCo or its successors in title), any transmission application or transfer in respect of Swick Shares received on or after the Record Date, or received prior to the Record Date but not in registrable or actionable form.

Dealings after the Record Date

For the purpose of determining entitlements to the Scheme Consideration, Swick must maintain the Swick Share Register in its form as at the Record Date until the Scheme Consideration has been paid to the Scheme Shareholders and DDH1 FinCo has been entered in the Swick Share Register as the holder of all of the Scheme Shares. Moreover, Swick must procure that details of the names, Registered Addresses and holdings of Scheme Shares of every Scheme Shareholder shown in the Swick Share Register at the Record Date are made available to DDH1. The Swick Share Register in this form will solely determine entitlements to the Scheme Consideration.

As from the Record Date (and other than for DDH1 FinCo following the Implementation Date):

- (i) all share certificates and holding statements for the Scheme Shares will cease to have effect as documents of title; and
- (ii) subject to provision of the Scheme Consideration by DDH1 and registration of the transfer to DDH1 FinCo of the Scheme Shares, each entry on the Swick Share Register (other than for DDH1 FinCo) at that date will cease to have any effect other than as evidence of entitlement to the Scheme Consideration in respect of the Scheme Shares relating to that entry.

(b) Effective Date

If the Court approves the Scheme, Swick will (pursuant to section 411(10) of the Corporations Act) promptly lodge with ASIC the office copy of the Court order approving the Scheme, and in any event by no later than 5.00pm (AWST time) on the Business Day following the date on which the Court approves the Scheme or such other Business Day as Swick and DDH1 agree in writing.

If the Scheme Conditions are satisfied or waived, the Scheme will legally come into effect on the Effective Date.

If the Scheme has not become Effective on or before the End Date, or such later date as Swick and DDH1 agree in writing, the Scheme will lapse and be of no further force or effect.

11. IMPLEMENTING THE SCHEME

(c) Suspension of trading of Swick Shares

Swick will apply to the ASX for suspension of trading of Swick Shares on the ASX and it is expected that the suspension will commence with effect from the close of trading on the Effective Date, being 4.00pm (AWST time) on Monday, 7 February 2022.

(d) Transfer of Swick Shares

If the Scheme becomes Effective, on the Implementation Date:

- (i) subject to the provision of the Scheme Consideration, all of the Scheme Shares will, together with all rights and entitlements attaching to the Scheme Shares, be transferred to DDH1 FinCo without the need for any further act by any Scheme Shareholder (other than acts performed by Swick or its directors as attorney and agent for the Scheme Shareholders under the Scheme);
- (ii) Swick will enter, or procure the entry of, the name and address of DDH1 FinCo in the Swick Share Register as the holder of all the Scheme Shares; and
- (iii) Swick will then become a wholly-owned Subsidiary of DDH1 and the Swick Board and the boards of each Subsidiary of Swick will be reconstituted so that it comprises persons nominated by DDH1 and all the directors of Swick and each Subsidiary of Swick which DDH1 nominates will resign from the board of each relevant entity.

(e) Issue of New DDH1 Shares

If the Scheme becomes Effective, on the Implementation Date the New DDH1 Shares to which Eligible Scheme Shareholders are entitled under the Scheme will be issued to Eligible Scheme Shareholders and the New DDH1 Shares to which the Ineligible Overseas Shareholders are entitled under the Scheme will be issued to the Sale Agent.

A summary of the rights attaching to New DDH1 Shares is set out in section 13.5.

It is expected that:

- (i) all Eligible Scheme Shareholders who receive New DDH1 Shares will have their names and address entered on the DDH1 Share Register on the Implementation Date;
- (ii) the Sale Agent who receives New DDH1 Shares that would otherwise be issued to each Scheme Shareholder who is an Ineligible Overseas Shareholder will have its name and address entered on the DDH1 Share Register on the Implementation Date;
- (iii) uncertificated holding statements for New DDH1 Shares issued to the Scheme Shareholder or Sale Agent (as the case may be) will be sent to each Scheme Shareholder whose New DDH1 Shares are held on the issuer sponsored subregister of DDH1 or the Sale Agent (as the case may be) by no later than 5 Business Days after the Implementation Date; and
- (iv) New DDH1 Shares will commence normal trading on the ASX from Thursday, 17 February 2022.

Any sale of New DDH1 Shares before receipt of a holding statement is at the risk of the holder of those securities. To the extent permitted by law, Swick, DDH1 and the DDH1 Share Registry disclaim all liability, whether in negligence or otherwise, to persons who sell their New DDH1 Shares before receiving their holding statement, whether on the basis of a confirmation of allocation provided by Swick, DDH1, the DDH1 Share Registry, a broker or otherwise.

For further information regarding the New DDH1 Shares to be issued, refer to section 13.5.

11. IMPLEMENTING THE SCHEME

(f) Appointments and Resignation of Swick Board

On the Implementation Date, and subject to DDH1 having provided the Scheme Consideration, Swick must:

- (i) appoint those persons nominated by DDH1 to the Swick Board and to the boards of each Subsidiary of Swick;
and
- (ii) procure that the directors of Swick and each Subsidiary of Swick which DDH1 nominates resigns from the board of each relevant entity.

(g) De-listing of Swick

With effect from the close of business on the Business Day immediately following the Implementation Date, Swick will apply for termination of the official quotation of Swick Shares and have itself removed from the official list of the ASX.

(h) Payments to Ineligible Overseas Shareholders

New DDH1 Shares to which the Ineligible Overseas Shareholders would otherwise be entitled will be sold by the Sale Agent as soon as practicable, and in any event not more than 15 Business Days after the Implementation Date, and the proceeds of the sale (less certain transaction costs including brokerage and stamp duty) will be promptly remitted back to the relevant Ineligible Overseas Shareholders.

For more information refer to sections 5.7 and 5.8.

12. KEY TERMS OF THE SCHEME IMPLEMENTATION AGREEMENT

Swick, DDH1 and DDH1 FinCo entered into the Scheme Implementation Agreement on 21 October 2021. The Scheme Implementation Agreement sets out the obligations of Swick, DDH1 and DDH1 FinCo in relation to the Scheme.

The Swick Directors consider that the Scheme Implementation Agreement was entered into on arm's length commercial terms having regard to the fact that Swick undertook an assessment of any alternative strategic options available to it. In making the above statement, the Swick Directors note that Swick Shareholders are being given the opportunity to consider and vote on whether the Merger is implemented at the Scheme Meeting.

This section sets out a summary of the key terms and conditions of the Scheme Implementation Agreement that are not otherwise addressed in this Scheme Booklet.

12.1 Scheme Conditions under the Scheme Implementation Agreement

The Scheme is subject to the fulfilment or, in certain cases, waiver of the Scheme Conditions. Refer to section 11.2 for further details.

12.2 Orexplore Demerger Obligation

Prior to the Delivery Time, Swick must undertake all steps required to give effect to, or otherwise be in a position to give effect to, the Orexplore Demerger on or before the Implementation Date.

As part of the Demerger Transaction, Swick must obtain an indemnity from, and provide an indemnity in favour of Orexplore, effective from the date of the Demerger, to the effect that:

- (a) Orexplore will have the entire economic benefit and risk of the Orexplore Business, and will assume all liabilities of that business, to the extent that the liabilities are caused by the acts or omissions of an entity in the Orexplore Group or their directors or employees (including all debt and guarantees provided by the Swick Group related to the business of Orexplore), as if the demerged entity had owned and operated that business at all times;
- (b) the Swick Group (excluding Orexplore) will have the entire economic benefit and risk of the Swick Group business (excluding the Orexplore Business) and will assume all liabilities of that Swick Group business, to the extent that the liabilities are caused by the acts or omissions of an entity in the Swick Group or their directors or employees, as if it had operated and owned that business at all times; and
- (c) Orexplore will indemnify Swick against any loss whatsoever in connection with the Demerger (including any Taxes, duties and tax costs, grossed up for any Taxes payable by Swick on any such indemnity payment),

each subject to the terms of the Demerger Agreement, and Swick must not release, or otherwise diminish the liability of any demerged entity from its indemnity. See clause 4.1 of the Scheme Implementation Agreement for further details.

12.3 Swick Performance Rights and Warrants

As at the Delivery Time, Swick must have put arrangements in place so that all Swick Performance Rights and Swick Warrants will either vest (and have resulted in the issue of Swick Shares), lapse or otherwise be cancelled or terminated before the Record Date.

12. KEY TERMS OF THE SCHEME IMPLEMENTATION AGREEMENT

12.4 No shop restriction

The Scheme Implementation Agreement includes exclusivity arrangements which apply from the date of the Scheme Implementation Agreement until the earlier of the End Date (being 21 April 2022), the termination of the Scheme Implementation Agreement and the Implementation Date (**Exclusivity Period**).

During the Exclusivity Period, Swick must not, and must ensure that any of the Swick Group or its Representatives do not, except with the prior written consent of DDH1:

- (a) solicit, encourage, initiate or invite any Competing Proposal or initiate enquiries, expressions of interest, negotiations or discussions with any Third Party which may reasonably be expected to encourage or lead to, an expression of interest, offer or proposal from any person in relation to an actual, proposed or potential Competing Proposal; or
- (b) communicate an intention to do any of those things set out above.

12.5 No talk and no due diligence restriction

During the Exclusivity Period, Swick must not, and must ensure that any member of the Swick Group or its Representatives do not, except with the prior written consent of DDH1, directly or indirectly:

- (a) enter into, continue or participate in any negotiations or discussions with any Third Party in relation to a Competing Proposal or which may reasonably be expected to lead to an actual, proposed or potential Competing Proposal;
- (b) enter into any agreement, arrangement or understanding with any Third Party in relation to a Competing Proposal or which may reasonably be expected to lead to an actual, proposed or potential Competing Proposal;
- (c) provide or make available any information to a Third Party for the purposes of enabling that party to make an actual, proposed or potential Competing Proposal or any agreement, arrangement or understanding that might be reasonably expected to lead to a Competing Proposal; or
- (d) communicate to any person an intention to do anything referred to above,

even if that person's Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by Swick, any member of the Swick Group, any of its Representatives or the person has publicly announced the Competing Proposal.

12.6 Exclusivity of Due Diligence

During the Exclusivity Period, Swick must ensure that neither it nor any member of the Swick Group or its Representatives, in relation to an actual, proposed or Competing Proposal:

- (a) enables any other person to undertake due diligence investigations on any member of the Swick Group, any of the operations or assets of the business of the Swick Group or any part thereof;
- (b) makes available to any other person, or permits any other person to receive any non-public information relating to any member of the Swick Group, any of the operations or assets of the business of the Swick Group or any part thereof;
- (c) makes available to any other person, or permits any other person to have access to, any officers or employees of the Swick Group; or
- (d) makes available to any other person, or permits any other person to have access to any premises or sites used, leased, licenced or owned by the Swick Group,

other than DDH1 and any other person nominated by DDH1 (whether in the course of due diligence or otherwise).

The restrictions in sections 12.5 and 12.6 above are subject to standard fiduciary and statutory exceptions.

12. KEY TERMS OF THE SCHEME IMPLEMENTATION AGREEMENT

12.7 Matching rights

During the Exclusivity Period, Swick:

- (a) must not enter into any legally binding agreement pursuant to which a Third Party proposes, or proposes to undertake to give effect to a Competing Proposal; and
- (b) must use reasonable endeavours to procure that none of its directors change, withdraw or modify their Recommendation or Voting Intention in favour of the Scheme, publicly recommend, support or endorse a Competing Proposal or make any public statement to the effect that they may do so at a future point in time (provided that a statement that no action should be taken by Swick Shareholders pending the assessment of a Competing Proposal by the Swick Board and its Advisors will not contravene this clause), unless:
 - (c) the Swick Board, acting in good faith and in order to satisfy what the directors of Swick consider to be their statutory or fiduciary duties (having received written legal advice from their external legal adviser) determine that the Competing Proposal is, or could reasonably be expected to lead to, a Superior Proposal;
 - (d) Swick has provided DDH1 with the material terms and conditions of the Competing Proposal (including details of the party making the proposal);
 - (e) Swick has given DDH1 at least 2 Business Days after the provision of the information referred to in paragraph (d) above to provide a matching or superior proposal to the terms of the relevant Competing Proposal (**DDH1 Counter Proposal**); and
 - (f) DDH1 has not in that time period provided a DDH1 Counter Proposal that the Swick directors determine has terms and conditions (taken as a whole) that are more favourable than those of the relevant Competing Proposal and would deliver a superior outcome for Swick Shareholders.

Swick must use its reasonable endeavours to procure that its directors, within 2 Business Days of receiving the DDH1 Counter Proposal, consider the DDH1 Counter Proposal in good faith.

If the Swick Board determines that the DDH1 Counterproposal:

- (a) would provide an equal or superior outcome to Swick Shareholders compared to the Competing proposal, then Swick and DDH1 must use their reasonable endeavours to agree to any necessary amendments to the Scheme Implementation Agreement and agree on such other documents that are reasonably necessary to reflect the Counterproposal as soon as reasonably practicable, and Swick must use reasonable endeavours to procure that each of the Swick Directors continue to recommend that Swick Shareholders vote in favour of the Scheme (as modified by the Counterproposal); or
- (b) would not provide an equal or superior outcome to Swick Shareholders compared to the Competing Proposal, then DDH1 may take steps to amend the Counterproposal to address the reasons given by Swick for that determination and must provide such revised Counterproposal to Swick within a further period of 2 Business Days, and if DDH1 does so to the satisfaction of the Swick board, then the process in paragraph (a) above applies to that revised Counterproposal.

If the Swick Directors determine that the terms and conditions of the DDH1 Counter Proposal (taken as a whole) are more favourable than those of the relevant Competing Proposal and would deliver a superior outcome for Swick Shareholders, Swick and DDH1 must each use their reasonable endeavours to agree and enter into such documentation as is necessary to give effect to and implement the DDH1 Counter Proposal as soon as reasonably practicable, and Swick must use its best endeavours to procure that each of its directors makes a public statement recommending the DDH1 Counter Proposal to Swick Shareholders.

12. KEY TERMS OF THE SCHEME IMPLEMENTATION AGREEMENT

12.8 Break Fee

Swick and DDH1 have agreed to pay the other party a Break Fee of \$994,000 as compensation for costs, expenses and damages in certain circumstances. The Break Fee will be payable by Swick to DDH1 without deduction, set-off or withholding if:

- (a) **Competing Proposal:** a Competing Proposal is announced before the earlier of the Second Court Date and termination of the Scheme Implementation Agreement, and within 12 months after the date of the Scheme Implementation Agreement, the Third Party who announced the Competing Proposal (or any of its Associates) completes that Competing Proposal;
- (b) **Change of recommendation:** during the Exclusivity Period, a majority of Swick directors fail to recommend the Scheme or publicly change or withdraw their Recommendation or Voting Intention or publicly recommend a Competing Proposal and the Transaction does not complete, unless it occurs after:
 - (i) the Independent Expert has concluded that the Scheme is not in the best interests of Swick Shareholders;
 - (ii) the Independent Expert changes or publicly withdraws its conclusion that the Scheme is in the best interests of Swick Shareholders;
 - (iii) Swick has become entitled to terminate this agreement pursuant to clause 14.3(b) and has given the appropriate notice to DDH1; or
 - (iv) there is a failure to satisfy a Scheme Condition which is for the benefit of Swick or both parties, before a party is required to do so under clause 3 of the Scheme Implementation Agreement.
- (c) **Termination:** DDH1 terminates the Scheme Implementation Agreement as a result of one or more of the following (and in each case, only where the Transaction does not complete):
 - (i) Swick materially breaching the Scheme Implementation Agreement; or
 - (ii) there is a Material Adverse Change or Prescribed Occurrence in respect of Swick.

DDH1 is required to pay Swick the Break Fee without deduction, set-off or withholding if:

- (a) at any time after the date of the Scheme Implementation Agreement, Swick terminates the Scheme Implementation Agreement as a result of one or more of the following:
 - (i) DDH1 materially breaching the Scheme Implementation Agreement; or
 - (ii) there is a DDH1 Material Adverse Change or DDH1 Prescribed Occurrence in respect of DDH1; or
- (b) DDH1 does not pay or procure the payment of the Scheme Consideration in accordance with the terms and conditions of this agreement, the Scheme and the Deed Poll.

12. KEY TERMS OF THE SCHEME IMPLEMENTATION AGREEMENT

12.9 Termination

This section sets out the circumstances in which the Scheme Implementation Agreement (and hence, the Scheme) may be terminated.

DDH1 termination rights

DDH1 may terminate the Scheme Implementation Agreement at any time before the Delivery Time:

- (a) in accordance with clause 3.7 of the Scheme Implementation Agreement; or
- (b) by notice in writing to Swick if:
 - (i) Swick is in material breach of any clause of the Scheme Implementation Agreement (including in relation to the Swick Warranties but other than clause 7.1 of the Scheme Implementation Agreement) and:
 - (A) DDH1 has given written notice to Swick setting out the relevant circumstances and stating an intention to terminate the Scheme Implementation Agreement; and
 - (B) the relevant circumstances are not remedied and have continued to exist for 10 Business Days from the time such notice is received by Swick (or any shorter period ending at the Delivery Time); or
- (c) there is a Material Adverse Change or Prescribed Occurrence in respect of Swick; or
- (d) Swick Shareholders have not agreed to the Scheme at the Scheme Meeting by the requisite majorities; or
- (e) a Swick Director publicly withdraws, fails to make or adversely changes their Recommendation or Voting Intention or publicly recommends, supports or endorses a Competing Proposal, for any reason.

Swick termination rights

Swick may terminate the Scheme Implementation Agreement at any time before the Delivery Time:

- (a) in accordance with clause 3.7 of the Scheme Implementation Agreement; or
- (b) by notice in writing to DDH1 if:
 - (i) DDH1 is in material breach of any clause of the Scheme Implementation Agreement and:
 - (A) Swick has given written notice to DDH1 setting out the relevant circumstances and stating an intention to terminate the Scheme Implementation Agreement; and
 - (B) the relevant circumstances are not remedied and have continued to exist for 10 Business Days from the time such notice is received by DDH1 (or any shorter period ending at the Delivery Time); or
- (c) the Independent Expert concludes in the Independent Expert's Report that the Scheme is not in the best interests of Swick Shareholders; or
- (d) there is a DDH1 Material Adverse Change or DDH1 Prescribed Occurrence in respect of DDH1.

12.10 Amendments to the Scheme Implementation Agreement

The Scheme Implementation Agreement may only be varied by a document signed by or on behalf of each of Swick, DDH1 and DDH1 FinCo.

12.11 Representations and warranties

Each of Swick and DDH1 have given representations, warranties and covenants to the other that are considered to be standard warranties for an agreement of this kind. The representations, warranties and covenants given by each of Swick and DDH1 are set out in full at Schedules 1 and 2 of the Scheme Implementation Agreement.

13. ADDITIONAL INFORMATION

13.1 Introduction

This section 13 sets out additional information required to be disclosed to Swick Shareholders pursuant to the Corporations Act and the Corporations Regulations, together with other information that may be of interest to Swick Shareholders.

13.2 Interests of Swick Directors in Swick and DDH1

As at the date of registration of this Scheme Booklet with ASIC:

- (a) Swick Directors held interests in marketable securities of Swick as set out in section 6.10; and
- (b) no Swick Director (or person on behalf of a Swick Director) holds an interest in marketable securities of the DDH1.

Swick Directors have not acquired or disposed of a Relevant Interest in Swick Shares in the four-month period ending on the date immediately before the date of this Scheme Booklet.

Swick Directors who are Swick Shareholders will be entitled to receive New DDH1 Shares in accordance with the terms of the Scheme.

13.3 Interests of DDH1 Directors in DDH1 and Swick

As at the date of registration of this Scheme Booklet with ASIC:

- (a) DDH1 Directors held interests in marketable securities of DDH1 as set out in section 7.5(a); and
- (b) no DDH1 Director holds an interest in marketable securities of Swick (as set out in sections 6.10 and 7.5(b)).

On 25 October 2021, Diane Smith-Gander acquired 40,000 DDH1 Shares by way of an on-market purchase. Refer to the Appendix 3Y announced on 27 October 2021 for additional information.

Other than as described above, no DDH1 Director has acquired or disposed of a Relevant Interest in any DDH1 Shares in the four-month period ending on the date immediately before the date of this Scheme Booklet.

13.4 Interests of DDH1 and Swick

As at the date of this Scheme Booklet, neither Swick nor any of its Associates has a Relevant Interest in any DDH1 Shares or any other marketable securities of the DDH1.

As at the date of this Scheme Booklet, neither DDH1 nor any Associate of DDH1 holds a Relevant Interest in any Swick Shares or any other marketable securities of Swick.

During the four months before the date of this document, neither DDH1 nor any Associate of DDH1 has:

- (a) provided, or agreed to provide, consideration for any Swick Shares; or
- (b) given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person, or an Associate, to vote in favour of the Scheme or dispose of Swick Shares which benefit is not offered to all Swick Shareholders under the Scheme.

13. ADDITIONAL INFORMATION

13.5 Rights attaching to New DDH1 Shares

If the Scheme becomes Effective, each Scheme Shareholder (other than Ineligible Overseas Shareholders), will receive 0.2970 New DDH1 Shares for every 1 Swick Share they hold as at 5.00pm (AWST time) on the Record Date.

The New DDH1 Shares issued as Scheme Consideration will be fully paid and, from the date of their issue, will rank equally with existing DDH1 Shares.

A summary of the principal rights attaching to DDH1 Shares and other material provisions of the DDH1 Constitution is included at section 7.13.

Full details of the rights attaching to DDH1 Shares are set out in the DDH1 Constitution, a copy of which is available for inspection at DDH1's registered office during normal business hours.

Quotation is not guaranteed or automatic on such application, but quotation is expected in the ordinary course as DDH1 is already admitted to the official list of the ASX and shares of the same class as those to be issued as the consideration under the Scheme have been granted official quotation by the ASX.

It is expected that normal trading of New DDH1 Shares on the ASX will commence on Thursday, 17 February 2022. It is the responsibility of each Swick Shareholder to determine their entitlement to New DDH1 Shares under the Scheme before trading those shares to avoid the risk of selling shares that they do not own.

13.6 Benefits to Swick Directors and officers in connection with retirement from office

Other than as set out above and in section 13.8, there are no other current proposals for any payments or other benefits to be made or given to a director, secretary or executive officer of Swick or any Related Body Corporate of Swick as compensation for the loss of, or as consideration for or in connection with his or her retirement from office in Swick or any Related Body Corporate of Swick as a result of the Scheme.

13. ADDITIONAL INFORMATION

13.7 Remuneration of Swick Directors

The directors of Swick are entitled to be paid fees for their services as directors of Swick and have been paid the following fees in the past two financial years (inclusive of superannuation entitlements):

SWICK DIRECTOR ⁵	FY2020	FY2021
Mr Andrew Simpson (Non-Executive Chairman) ⁶	\$106,962	\$120,000
Mr Kent Swick (Managing Director) ⁷	\$594,992 ⁸	\$802,213 ⁹
Mr Ian McCubbing (Non-Executive Director) ¹⁰	\$70,744	\$80,000
Mr Stuart Carmichael (Non-Executive Director) ¹¹	\$64,001	\$80,000
Dr Alan Bye (Non-Executive Director) ¹²	\$53,066	\$236,000 ¹³
Mr David Nixon (Non-Executive Director) ¹⁴	\$53,103	-
Mr Phillip Lockyer (Non-Executive Director) ¹⁵	\$29,536	-

13.8 Disclosure of payments and benefits to Swick Directors and officers conditional on the outcome of the Scheme

No Swick Director, secretary or executive officer of Swick (or any of its Related Bodies Corporate) has agreed to receive, or is entitled to receive, any payment or benefit from DDH1 or DDH1 FinCo which is conditional on, or is related to, the Scheme other than in their capacity as a Swick Shareholder or Swick Performance Right Holder, or as set out in section 13.6.

See section 13.10 for more information on the benefits to be received by each Swick Performance Right Holder.

13.9 Interests of Swick Directors in contracts with DDH1

Except as set out in this Scheme Booklet, no Swick Director has any interest in any contract entered into by DDH1.

⁵ Includes any former Swick Directors who received directors' fees in the previous two financial years.

⁶ Appointed 24 October 2006.

⁷ Appointed 24 October 2006.

⁸ Includes non-monetary benefits valued at \$3,350.

⁹ Includes non-monetary benefits valued at \$2,928.

¹⁰ Appointed 1 August 2010.

¹¹ Appointed on 1 August 2019.

¹² Appointed on 8 November 2019.

¹³ Includes payments for Alan Bye's consulting services direct to Oreplore (wholly owned Subsidiary of Swick) of \$142,466 in salary, fees and leave and \$13,534 in pension and superannuation.

¹⁴ Retired on 28 February 2020.

¹⁵ Retired on 8 November 2019.

13. ADDITIONAL INFORMATION

13.10 Automatic vesting of Swick Performance Rights held by Directors and officers of Swick

As noted in sections 5.10 and 6.8, as at the date of this Scheme Booklet Swick has a total of 1,922,672 unquoted Swick Performance Rights on issue. 934,303 Swick Performance Rights will automatically vest upon the Court approving the Scheme at the Second Court Hearing. To ensure that there are no equity interests in Swick when the Scheme is implemented, Swick has confirmed that it will issue such number of Swick Shares as required under the terms of those Swick Performance Rights before the Record Date.

Mr Jitu Bhudia (Chief Financial Officer) holds 638,126 Swick Performance Rights which will convert to a total of 638,126 Swick Shares on the Vesting Date.

Mr Kent Swick (Managing Director) holds a total of 988,369 Swick Performance Rights which, pursuant to the Cancellation Deed, will be cancelled for nil consideration subject and conditional upon, and shall take immediate effect upon the Court approving the Scheme at the Second Court Hearing.

13.11 Disclosure of interests

Except as disclosed below or elsewhere in this Scheme Booklet, no:

- (a) Swick Director or proposed director of Swick;
- (b) DDH1 Director or proposed director of DDH1;
- (c) person named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet; or
- (d) promoter or underwriter of DDH1 or the Combined Group,

(together “Interested Persons”) holds, or held at any time during the two years before the date of this Scheme Booklet any interests in:

- (e) the formation or promotion of DDH1 or the Combined Group;
- (f) property acquired or proposed to be acquired by DDH1 in connection with the formation or promotion of DDH1 or the Combined Group or the offer of New DDH1 Shares under the Scheme; or
- (g) the offer of New DDH1 Shares under the Scheme.

13.12 Disclosure of fees and other benefits

Except as disclosed elsewhere in this Scheme Booklet, neither DDH1 nor Swick has paid, or agreed to pay any fees, or provided or agreed to provide any benefit to:

- (a) a director or proposed director of DDH1 to induce them to become or qualify as a director of DDH1; or
- (b) any Interested Person for services provided by that person in connection with:
 - (i) the formation or promotion of DDH1 or the Combined Group; or
 - (ii) the offer of New DDH1 Shares under the Scheme.

13.13 Creditors of Swick

The Scheme, if implemented, will not affect the interests of creditors of Swick.

Swick has paid and is paying all its creditors within normal terms of trade. It is solvent and is trading in an ordinary commercial manner.

13.14 Right to inspect and obtain copies of the Swick Share Register

A Swick Shareholder has the right to inspect the Swick Share Register, which contains the name and address of each Swick Shareholder and certain other prescribed details relating to Swick Shares, without charge. A Swick Shareholder also has the right to request a copy of the register, upon payment of a fee (if any) up to a prescribed amount.

13. ADDITIONAL INFORMATION

13.15 Regulatory conditions and relief

ASX Listing Rule 6.23.2 provides that the cancellation of options for consideration requires the approval of shareholders. Swick has been granted a waiver of ASX Listing Rule 6.23.2 to permit the Swick Warrants to be cancelled without requiring the approval of Swick Shareholders (**ASX Listing Rule 6.23.2 Waiver**). The ASX Listing Rule 6.23.2 Waiver has been granted on the following conditions:

- + Swick Shareholders approve, by the Requisite Majority, the Scheme under section 411 of the Corporations Act;
- + a court of competent jurisdiction makes an order under section 411(4)(b) of the Corporations Act approving the Scheme and such orders are lodged with ASIC such that the Scheme becomes Effective; and
- + full details of the cancellation of the Swick Warrants and the consideration payable for their cancellation are set out to ASX's satisfaction in this Scheme Booklet.

Refer to sections 5.9 and 11.1(d) for further information on the treatment of Swick Warrants.

13.16 No administrator

It is not proposed that any person be appointed to manage or administer the Scheme.

13.17 No relevant restrictions in the constitution of Swick

There are no restrictions on the right to transfer Swick Shares in the Swick Constitution.

13.18 No unacceptable circumstances

The Swick Directors do not believe that the Scheme involves any circumstances in relation to the affairs of any member of Swick that could reasonably be characterised as constituting "unacceptable circumstances" for the purposes of section 657A of the Corporations Act.

13.19 Swick Shareholders in jurisdictions outside Australia and New Zealand

This Scheme Booklet and the Scheme are subject to Australian disclosure requirements that may be different to those applicable in other jurisdictions. This Scheme Booklet and the Scheme do not in any way constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to make such an offer.

Any Swick Shareholder whose address as shown in the Swick Share Register at 5.00pm (AWST time) on the Record Date is outside of Australia or its external territories or New Zealand will be an Ineligible Overseas Shareholder for the purposes of the Scheme, other than a Swick Shareholder in respect of whom DDH1 is satisfied that the laws of that holder's country of residence (as shown in Swick Share Register) would permit the issue and allotment of New DDH1 Shares, either unconditionally or after compliance with conditions which DDH1 in its sole discretion regards as acceptable and not unduly onerous.

DDH1 will not issue New DDH1 Shares to an Ineligible Overseas Shareholder. If you are an Ineligible Overseas Shareholder, you should refer to section 5.7 for further information.

13.20 Privacy and personal information

Swick and DDH1, their respective share registries and investor relations advisers may collect personal information about you in the process of implementing the Scheme. The personal information may include the names, contact details and details of the security holdings of Swick Shareholders, and the names of individuals appointed by Swick Shareholders as proxies, corporate representatives or attorneys at the Scheme Meeting.

The personal information is collected for the primary purpose of implementing the Scheme. The personal information may be disclosed to the Swick Share Registry and the DDH1 Share Registry and investor relations advisers, to securities brokers and to print and mail service providers.

Swick Shareholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them. Such individuals should contact Automatic Group if they wish to request access to that personal information.

Swick Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Scheme Meeting should inform that individual of the matters outlined above.

13. ADDITIONAL INFORMATION

13.21 Supplementary information

Swick will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date of lodgement of this Scheme Booklet for registration by ASIC and the date of the Scheme Meeting:

- (a) a material statement in this Scheme Booklet that is false or misleading;
- (b) a material omission from this Scheme Booklet;
- (c) a significant change affecting a matter included in this Scheme Booklet; or
- (d) a significant new matter arising that would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC.

The form of the supplementary document and whether a copy will be sent to each Swick Shareholder will depend on the nature and timing of the new or changed circumstances. Any such supplementary document will be made available on Swick's website (www.swickmining.com). Any such supplementary document will also be released to the ASX and accordingly will be available from the ASX's website (www.asx.com.au).

13.22 Advisers and experts

(a) Roles of advisers and experts

The persons named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the Scheme or the preparation or distribution of this Scheme Booklet are:

NAME	ROLE	ESTIMATE OF FEES (EX. GST)
Grant Thornton	Independent Expert	\$130,000
Grant Thornton	Investigating Accountant	\$60,000
HWL Ebsworth Lawyers (HWLE)	Legal advisor to Swick	\$250,000
Clayton Utz (CU)	Legal adviser to DDH1	\$450,000
Shaw and Partners Limited	Swick's financial adviser	\$1,450,000
MA Moelis Australia Advisory Pty Ltd	DDH1's financial adviser	\$2,125,000
Automic Group	Swick's share registry	\$10,000
Computershare Investor Services Pty Ltd	DDH1's share registry	\$7,500
PricewaterhouseCoopers Securities Ltd	Tax adviser to DDH1 and the Combined Group	\$350,000
Ernst & Young	Tax adviser to Swick	\$20,000

13. ADDITIONAL INFORMATION

(b) Consents of advisers and experts

Grant Thornton has given its consent to the inclusion of its Independent Expert's Report in this Scheme Booklet in the form and context in which it appears in Annexure A of this Scheme Booklet and has not withdrawn that consent before the date of this Scheme Booklet.

Grant Thornton has given its consent to the inclusion of its Investigating Accountant's Report in this Scheme Booklet in the form and context in which it appears in Annexure G of this Scheme Booklet and has not withdrawn that consent before the date of this Scheme Booklet.

Grant Thornton takes no responsibility for the contents of the Scheme Booklet other than the Independent Expert's Report and Investigating Accountant's Report. The interests of Grant Thornton in its capacity as Independent Expert and Investigating Accountant are disclosed in the Independent Expert's Report and Investigating Accountant's Report, respectively.

DDH1 and DDH1 FinCo have given their consent to the inclusion of the DDH1 Information in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

Each person named in section 13.22(a) has given, and before the time of registration of this Scheme Booklet with ASIC, has not withdrawn, their consent to being named in this Scheme Booklet in the capacity indicated next to their name.

(c) Disclaimers of responsibility

Each person named in section 13.22(a) as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet:

- (i) has not authorised or caused the issue of this Scheme Booklet or the making of the offer of New DDH1 Shares under the Scheme;
- (ii) does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than a statement included in this Scheme Booklet with the written consent of that person as stated in section 13.22(b); and
- (iii) 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 Scheme Booklet, other than a reference to its name and any statement or report that has been included in this Scheme Booklet with the consent of that person.

(d) Fees

Each person named in section 13.22(a) as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet will be entitled to receive professional fees charged in accordance with their normal basis of charging. The estimated fees payable to these parties are set out in section 13.22(a).

13. ADDITIONAL INFORMATION

13.23 Effects of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet including but not limited to those in respect of the Scheme Consideration, are subject to the effect of rounding. Accordingly, the actual calculations of these figures may differ from the figures set out in this Scheme Booklet.

13.24 Data in charts, graphs and tables

Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Last Practicable Date. Any discrepancies in any chart, graph or table between totals and sums of amounts presented or listed therein or to previously published financial figures are due to rounding.

13.25 Swick litigation

So far as the Swick Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which Swick (or any other member of the Swick Group) is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of Swick or the Swick Group.

13.26 DDH1 litigation

So far as the DDH1 Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which DDH1 (or any other member of the DDH1 Group) is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of DDH1 or the DDH1 Group.

13.27 No other material information

Other than as set out in this Scheme Booklet, including the Annexures to this Scheme Booklet, there is no information material to the making of a decision in relation to the Scheme or a decision by a Swick Shareholder whether or not to vote in favour of the Scheme, being information that is within the knowledge of any Swick Directors or directors of a Related Body Corporate of Swick and which has not previously been disclosed to Swick Shareholders.

14. GLOSSARY OF DEFINED TERMS

The following defined terms used throughout this Scheme Booklet have the meaning set out below unless the context otherwise requires.

TERM	MEANING
A\$ or \$	The lawful currency of Australia.
AASB	The Australian Accounting Standards Board, being the Australian Regulatory Authority responsible for developing and issuing accounting standards applicable to Australian entities and the “care and maintenance” of the body of standards as set out in the <i>Australian Securities and Investments Commission Act 2001</i> (Cth).
AASB Standards	The Australian Accounting Standards issued by the AASB.
Agreed Form	A document that has been agreed in writing by Swick and DDH1 on or before the date of the Scheme Implementation Agreement and has been initialled by or on behalf of Swick and DDH1 or acknowledged via email, in each case for the purposes of identification.
Annexure	An annexure of this Scheme Booklet.
Announcement Date	22 October 2021, being the date of announcement of the Merger.
ASIC	The Australian Securities and Investments Commission.
Associate	Has the meaning given to it in section 12 of the Corporations Act.
ASX	ASX Limited (ABN 98 008 624 691).
ASX Listing Rules	The listing rules of ASX.
ATO	Australian Taxation Office.
Automatic Group or Swick Share Registry	Automatic Pty Ltd (ACN 152 260 814), the share registry for Swick.
Break Fee	\$994,000 payable by Swick to DDH1 pursuant to clause 10.2 of the Scheme Implementation Agreement and by DDH1 to Swick pursuant to clause 10.3 of the Scheme Implementation Agreement.
Business Day	A day that is not a Saturday, Sunday or public holiday or bank holiday in Perth, Western Australia.
Cancellation Deed	The cancellation letter deed entered into on 13 December 2021 between Mr Kent Swick and Swick, relating to the cancellation of the 988,369 Swick Performance Rights held by Mr Kent Swick.
CGT	Capital Gains Tax, as defined in the <i>Income Tax Assessment Act 1997</i> (Cth).
Chair	The chairperson of the Scheme Meeting.
Change of Control Contract	Has the meaning given to it in the Scheme Implementation Agreement.
Combined Group	The corporate group comprising DDH1 and its Subsidiaries, including the Swick Group, if the Scheme is implemented.
Combined Group Board	The board of directors of DDH1, after the implementation of the Scheme.
Competing Proposal	Has the meaning given to it in the Scheme Implementation Agreement.
Corporations Act	The <i>Corporations Act 2001</i> (Cth).
Corporations Regulations	The <i>Corporations Regulations 2001</i> (Cth).
Court	The Supreme Court of Western Australia, or such other court of competent jurisdiction as agreed in writing by DDH1 and Swick.

14. GLOSSARY OF DEFINED TERMS

TERM	MEANING
DDH1	DDH1 Limited (ACN 636 677 088) or DDH1 Limited (ACN 636 677 088) and DDH1 FinCo, as the context requires.
DDH1 Board	The board of DDH1 Directors as at the date of this Scheme Booklet.
DDH1 Counter Proposal	Has the meaning given to “Bidder Counter Proposal” in the Scheme Implementation Agreement.
DDH1 Directors	The directors of the DDH1.
DDH1 Group	DDH1 and its Subsidiaries.
DDH1 Holdings	DDH1 Group Holdings Pty Ltd (ACN 636 839 613).
DDH1 Holdings Group	DDH1 Holdings and its controlled entities.
DDH1 Information	The information regarding DDH1, DDH1 FinCo or DDH1 Group, and the Combined Group, provided by DDH1 to Swick in writing for inclusion in this Scheme Booklet, including: <ul style="list-style-type: none"> (a) the information contained in section 7; (b) the information contained in section 8; (c) the information contained in sections 9.2, 9.4 and 9.5 (other than any information which only relates to the Swick Group or Swick Shareholders); and (d) the information contained in section 13 regarding the DDH1 Group or the interests of DDH1 Directors or their Associates.
DDH1 Long Term Incentive Plan or LTIP	The “Long Term Incentive Plan - DDH1 Limited” operated by DDH1.
DDH1 Material Adverse Change	Has the meaning given to “Bidder Material Adverse Change” in the Scheme Implementation Agreement.
DDH1 FinCo	DDH1 FinCo Pty Ltd (ACN 625 961 980).
DDH1 Performance Rights	The performance rights in respect of DDH1 Shares issued pursuant to the DDH1 Long Term Incentive Plan.
DDH1 Prescribed Occurrence	Has the meaning given to “Bidder Prescribed Occurrence” in the Scheme Implementation Agreement.
DDH1 Warranties	Has the meaning given to “Bidder Warranties” in the Scheme Implementation Agreement.
DDH1 Share	A fully paid ordinary share in the capital of DDH1.
DDH1 Share Register	The register of DDH1 Shareholders maintained by Computershare Investor Services.
DDH1 Share Registry	Computershare Investor Services Pty Ltd (ACN 078 279 277).
DDH1 Shareholder	Each person who is registered in the DDH1 Share Register from time to time as the holder of a DDH1 Share.
DDH1 Short Term Incentive Plan or STIP	The DDH1 Short Term Incentive Plan.
Decision Time	6.00pm on the Business Day before the Second Court Date.
Deed Poll	The deed poll dated 15 December 2021 executed by DDH1 and DDH1 FinCo in favour of the Scheme Shareholders whereby, among other things, DDH1 and DDH1 FinCo covenants to carry out its obligations under the Scheme, as set out in Annexure C.
Delivery Time	8.00am on the Second Court Date.

14. GLOSSARY OF DEFINED TERMS

TERM	MEANING
Demerger or Orexplore Demerger	Subject to approval of the Requisite Majority of Swick Shareholders at the Demerger Meeting, the demerger of the Orexplore Business to be implemented pursuant to the Demerger Agreement, under which the Orexplore Business will be transferred to Orexplore, which will, in turn, seek admission to the Official List of ASX.
Demerger Agreement	The implementation agreement dated 12 November 2021 between Swick and Orexplore on the terms approved in writing by DDH1, acting reasonably, relating to the implementation of the Demerger.
Demerger Conditions	The conditions precedent in clause 3.1 of the Demerger Agreement.
Demerger Meeting	The meeting of Swick Shareholders to be held at Aloft Perth at 27 Rowe Avenue, Rivervale, WA 6103 at 10.00am (AWST time) on Wednesday, 22 December 2021 to consider and vote on the Demerger.
Demerger Record Date	The record date for determining entitlements to the New Orexplore Shares under the Demerger as contemplated in Schedule 1 of the Demerger Agreement, expected to be Thursday, 30 December 2021.
Demerger Resolutions	The resolutions of Swick Shareholders: (a) to approve the sale of the Orexplore Business for the purposes of ASX Listing Rule 11.4.1(b) and for all other purposes; and (b) to approve the capital reduction and in-specie distribution for the purposes of sections 256B and 256C of the Corporations Act and for all other purposes.
EBITDA	Earnings before interest, taxes, depreciation and amortisation, in accordance with the accounting policies and practices.
Effective	When used in relation to the Scheme, means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.
Effective Date	The date on which the Scheme becomes Effective.
Eligible Scheme Shareholder	A Scheme Shareholder other than an Ineligible Overseas Shareholder.
End Date	The date that is 6 months from the date of execution of the Scheme Implementation Agreement, being 21 April 2022, or such other date as agreed in writing between Swick and the DDH1.
Exclusivity Period	Has the meaning given to it in the Scheme Implementation Agreement.
Explanatory Memorandum	The explanatory memorandum accompanying the Notice of Scheme Meeting as set out in Annexure D of this Scheme Booklet.
Grant Thornton	Grant Thornton Corporate Finance Pty Ltd (ACN 003 265 987).
Implementation Date	The date that is the fifth Business Day after the Record Date, or such other date as DDH1 and Swick agree in writing or as ordered by the Court.
Independent Expert	Grant Thornton.
Independent Expert's Report	The report of the Independent Expert in relation to the Scheme as set out in Annexure A of this Scheme Booklet.
Ineligible Overseas Shareholder	In respect of the Scheme, has the meaning given to it in the Scheme Implementation Agreement. In respect of the Demerger, means a person registered as the holder of Swick Shares as at 5.00pm (WST) on the Demerger Record Date whose registered address is not in Australia or is in Australia but the holder has not declared their tax file number, tax file number exemption or Australian Business Number to the Swick Share Registry.

14. GLOSSARY OF DEFINED TERMS

TERM	MEANING
In-Specie Distribution	Has the meaning given in section 6.3 of this Scheme Booklet.
Investigating Accountant	Grant Thornton.
Investigating Accountant's Report	The report of the Investigating Accountant as set out in Annexure G.
Last Practicable Date	Friday, 10 December 2021.
Letter of Variation Deed	means the letter of variation deed dated 15 December 2021 between Swick, DDH1 and DDH1 FinCo as set out in Annexure F.
Marketable Parcel	A parcel of shares that are worth not less than \$500 accordance with the ASX Operating Rules Procedures.
Material Adverse Change	Has the meaning given to it in the Scheme Implementation Agreement.
Merger	The proposed merger of Swick with DDH1 on the terms and conditions in the Scheme.
Net Sale Proceeds	The sale proceeds of New DDH1 Shares sold under the Sale Facility by the Sale Agent in respect of the Ineligible Overseas Shareholders under the Scheme, less any applicable brokerage, stamp duty and other selling costs, taxes and charges.
New DDH1 Shares	The new fully paid ordinary shares in DDH1 to be issued to Scheme Shareholders (other than Ineligible Overseas Shareholders) under the Scheme.
New Orexplore Shares	The new fully paid ordinary shares in Orexplore to be issued to Swick Shareholders on the Demerger Record Date with a registered address in Australia that has declared their tax file number, tax file number exemption or Australian Business Number to the Swick Share Registry.
Notice or Notice of Scheme Meeting	The notice of scheme meeting as set out in Annexure D of this Scheme Booklet.
Notice of Demerger Meeting	The notice of demerger meeting dispatched to Swick Shareholders on 22 November 2021 and announced on ASX on 23 November 2021, as amended by the addendum to the notice of demerger meeting dated 6 December 2021 and announced on ASX on 7 December 2021.
NPATA	Net profit after tax but before amortisation.
Oaktree	DDH1 Holdings Singapore Pte. Ltd, being an entity managed by an affiliate of Oaktree Capital Management, L.P. within that investment manager's special situations strategy, and any predecessor in title to that entity or, as the context requires, Oaktree Capital Management, L.P. itself.
Official List	The official list of ASX.
Orexplore	Orexplore Technologies Ltd (ACN 645 505 406).
Orexplore Business	The business activities conducted by the Orexplore Group.
Orexplore Group	All of the following entities: (a) Orexplore Technologies Ltd; (b) Orexplore AB; (c) Orexplore Australia Pty Ltd; (d) Orexplore USA Inc; and (e) Orexplore Canada Inc.
Orexplore Shares	A fully paid ordinary share in the capital of Orexplore.
Performance Rights Proposal	Has the meaning given to it in section 5.10 of this Scheme Booklet.

14. GLOSSARY OF DEFINED TERMS

TERM	MEANING
Prescribed Occurrence	Has the meaning given to it in the Scheme Implementation Agreement.
Priority Offer	Has the meaning given to it in section 6.3 of this Scheme Booklet.
Proxy Form	The proxy form accompanying the Notice of Scheme Meeting as set out in Annexure D of this Scheme Booklet.
Recommendation	Has the meaning given to it in the Scheme Implementation Agreement.
Record Date	5.00pm on the date that is 5 Business Days after the Effective Date or such other time and date agreed in writing between Swick and DDH1.
Registered Address	In relation to a Swick Shareholder, the address shown in the Swick Share Register as at the Record Date.
Related Body Corporate	Has the meaning given to it in the Corporations Act.
Related Entity	Has the meaning given to it in the Corporations Act.
Relevant Interest	Has meaning given to it in sections 608 and 609 of the Corporations Act.
Representatives	Has the meaning given to it in the Scheme Implementation Agreement.
Requisite Majority	<p>In respect of the Scheme, means approval by:</p> <ul style="list-style-type: none"> (a) a majority in number (more than 50%) of Swick Shareholders present and voting at the Scheme Meeting (either in person or by appointing a proxy, attorney or corporate representative to attend and vote at the Scheme Meeting on their behalf) (the Court has discretion to waive this requirement if it considers it appropriate to do so); and (b) at least 75% of the total number of votes cast on the Scheme Resolution by Swick Shareholders present and voting at the Scheme Meeting (either in person or by appointing a proxy, attorney or corporate representative to attend and vote at the Scheme Meeting on their behalf). <p>In respect of the Demerger, means approval by more than 50% of the total number of votes cast on the Demerger Resolutions by Swick Shareholders (whether in person, by proxy, by attorney or, in the case of a corporation, by corporate representative).</p>
Sale Agent	The person chosen by DDH1 who is appointed to sell the New DDH1 Shares that are to be issued under clause 4.9 of the Scheme.
Sale Facility	The mechanism by which Ineligible Overseas Shareholders under the Scheme will receive the Net Sale Proceeds of any sale of New DDH1 Shares they would otherwise receive had they not been an Ineligible Overseas Shareholder, as described in section 5.8.
Scheme	The scheme of arrangement under Part 5.1 of the Corporations Act between Swick and the Scheme Shareholders, as amended by the Letter of Variation Deed dated 15 December 2021, the form of which is set out in Annexure B, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by DDH1 and Swick.
Scheme Booklet	This booklet that comprises the explanatory statement in respect of the Scheme to be approved by the Court and despatched to Swick Shareholders and includes the Annexures to this booklet.
Scheme Conditions	The conditions for implementation of the Scheme as set out in clause 3.1 to the Scheme Implementation Agreement as detailed at sections 11.2 and 12.1 of this Scheme Booklet.

14. GLOSSARY OF DEFINED TERMS

TERM	MEANING
Scheme Consideration	0.2970 New DDH1 Shares for every 1 Swick Share held on the Record Date to be issued to Scheme Shareholders (other than Ineligible Overseas Shareholders) under the terms of the Scheme in consideration for the transfer to DDH1 of the Scheme Shares or, in respect of Ineligible Overseas Shareholders, the Net Sale Proceeds equivalent to be paid to Ineligible Overseas Shareholders under the Sale Facility.
Scheme Implementation Agreement	The Scheme Implementation Agreement dated 21 October 2021, as amended by the Letter of Variation Deed dated 15 December 2021, between Swick, DDH1 and DDH1 FinCo relating to the implementation of the Scheme. The Scheme Implementation Agreement is set out in Annexure E.
Scheme Meeting	The meeting of Swick Shareholders to be held at Aloft Perth at 27 Rowe Avenue, Rivervale, WA 6103 at 10.00am (AWST time) on Monday, 17 January 2022 to consider and vote on the Scheme. The Notice convening the Scheme Meeting is set out in Annexure D.
Scheme Share	A Swick Share on issue as at the Record Date, other than any Swick Shares held by DDH1 or DDH1 FinCo as at the Record Date.
Scheme Shareholder	Each person registered in the Swick Share Register as the holder of one or more Scheme Shares as at the Record Date.
Scheme Resolution	The resolution to approve the Scheme as set out in the Notice of Scheme Meeting in Annexure D.
Second Court Date	The date of the Second Court Hearing.
Second Court Hearing	The hearing of the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme.
Security Interest	Has the meaning given in section 12 of the <i>Personal Property Securities Act 2009</i> (Cth).
Subsidiary	Has the meaning given to it in the Corporations Act.
Superior Proposal	Has the meaning given to it in the Scheme Implementation Agreement.
Swick	Swick Mining Services Limited (ACN 112 917 905).
Swick Board	The board of Swick Directors as at the date of this Scheme Booklet. Swick Board Member means a director of Swick comprising part of the Swick Board.
Swick Directors	The directors of Swick.
Swick Drilling Business	Has the meaning given in section 6.2(a) of this Scheme Booklet.
Swick Group	Swick and each of its Related Bodies Corporate.
Swick Information	All information included in this Scheme Booklet, other than DDH1 Information, the Independent Expert's Report, any Investigating Accountant's Report and any statement on the letterhead of the Swick's tax adviser of the tax consequences of the Scheme and related matters for Swick Shareholders as may be included in this Scheme Booklet.
Swick Performance Rights	Any performance right in respect of Swick Shares.
Swick Performance Rights Holder	The person who is registered as being the holder of a Swick Performance Right.

14. GLOSSARY OF DEFINED TERMS

TERM	MEANING
Swick Share	A fully paid ordinary share in the capital of Swick.
Swick Share Register	The register of holders of Swick Shares maintained by Automic Group in accordance with the Corporations Act.
Swick Shareholder	Each person who is registered in Swick Share Register from time to time as the holder of a Swick Share.
Swick Warrant	A warrant in respect of Swick Shares issued by Swick.
Swick Warranties	Has the meaning given to “Target Warranties” in the Scheme Implementation Agreement.
Tax	Has the meaning given to it in the Scheme Implementation Agreement.
Third Party	Has the meaning given to it in the Scheme Implementation Agreement.
Transaction	The acquisition of the Scheme Shares by DDH1 FinCo through implementation of the Scheme in accordance with the Scheme Implementation Agreement.
Vesting Date	Has the meaning given to that term in section 5.10 of this Scheme Booklet.
Voting Intention	Has the meaning given to it in the Scheme Implementation Agreement.
Warrant Holder	The holder of a Swick Warrant.
WST	Western Standard Time being the time in Perth, Western Australia.

CORPORATE DIRECTORY

Swick Mining Services Limited

Directors

Mr Andrew Simpson
Mr Kent Swick
Mr Ian McCubbing
Mr Stuart Carmichael
Dr Alan Bye

Company Secretary

Mr Frank Campagna

Registered & Principal Office

64 Great Eastern Highway
South Guildford, Western Australia 6055

Solicitors

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

Auditor

Ernst & Young
11 Mounts Bay Road
Perth, Western Australia 6000

Financial Advisor

Shaw and Partners Limited
Level 7, Chifley Tower
2 Chifley Square
Sydney, New South Wales 2000

Share Registry

Automic Pty Ltd
Level 2, 267 St Georges Terrace
Perth, Western Australia 6000

DDH1 Limited

Directors

Ms Diane Smith-Gander AO
Mr Alan Broome AM
Ms Andrea Sutton
Mr Sybrandt van Dyk
Mr Murray Pollock
Mr Byron Beath

Joint Company Secretaries

Mr Ben MacKinnon
Mr Darryl Edwards

Registered & Principal Office

21 Baile Road
Canning Vale, Western Australia 6155

Solicitors

Clayton Utz
QV.1 Building
250 St Georges Terrace
Perth, Western Australia 6000

Auditor

Deloitte Touche Tohmatsu
Tower 2, Brookfield Place
123 St Georges Terrace
Perth, Western Australia 6000

Financial Advisor

MA Moelis Australia Advisory Pty Ltd
Level 27, Governor Phillip Tower, One Farrer Place,
Sydney NSW 2000

Share Registry

Computershare Investor Services Pty Ltd
Yarra Falls, 452 Johnson Street
Abbotsford, Victoria 3067

ANNEXURE A

INDEPENDENT EXPERT'S REPORT



Grant Thornton

An instinct for growth™

Swick Mining Services Limited

Independent Expert's Report and Financial Services Guide

14 December 2021

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

14 December 2021

Grant Thornton Corporate Finance Pty Ltd
ABN 59 003 265 987
AFSL 247140

Level 17, 383 Kent Street
Sydney NSW 2000
PO Locked Bag Q800
QVB Post Office
Sydney NSW 1230
T + 61 2 8297 2400
F + 61 2 9299 4445
E info@gtnew.com.au
W www.grantthornton.com.au

Dear Directors

Introduction

Swick Mining Services Limited (“Swick” or “the Company”) is a mineral drilling contracting company, specialising in underground diamond core drilling for the hard rock mining industry. The Company has a global presence with operations in Australia, the United States and Europe and provides services to a diverse group of mining houses and across a spread of commodities. Swick has a strong background in innovative rig design and drilling practices which historically led to significant productivity and safety improvements. The Company is listed on the Australian Securities Exchange (“ASX”) with a market capitalisation of c. A\$98.6 million¹.

DDH1 Limited (“DDH1”) is a mineral drilling contracting company that operates a fleet of 100 multi-purpose surface and underground drilling rigs on mine sites and remote locations across Australia. DDH1’s drilling services are predominantly focused on mine site and exploration drilling, as well as specialised deep directional and mine infrastructure drilling. It operates across three brands being DDH1 Drilling, Ranger Drilling and Strike Drilling. It listed on the ASX in March 2021 and it currently has a market capitalisation of c. A\$395.3 million².

On 12 October 2021, the Company and DDH1 jointly announced that they had agreed to in-principle terms, made under a conditional, non-binding indicative proposal (“Indicative Proposal”) to merge Swick and DDH1 by way of a Scheme of Arrangement (“Scheme” or “the Proposed Scheme”). Then, on 22 October 2021, Swick and DDH1 announced that they had entered into a binding Scheme Implementation Agreement (“SIA”) on the same terms as the Indicative Proposal.

Under the Scheme, DDH1 will acquire 100% of the issued capital of Swick for scrip consideration (“Scheme Consideration”) of 0.2970 (“Exchange Ratio”) new DDH1 shares (“DDH1 Share”) for each Swick share (“Swick Share”) held by Swick shareholders (“Swick Shareholders”). If the Scheme is implemented, Swick Shareholders will collectively hold c. 19.7% of the shares in the enlarged DDH1 (“Merged Entity” or “Merged Group”).

The Scheme will not impact Swick’s announced plan to demerge Oreplore Technologies Limited³ (“Oreplore”) by way of an in-specie distribution under which each Swick Shareholder will receive 1 fully paid ordinary share in Oreplore for every 3 Swick Shares held (“Demerger”)⁴. Swick has

¹ Based on a share price of A\$0.35 and 281,740,622 ordinary shares outstanding as at 8 November 2021.

² Based on a share price of A\$1.20 and 342,804,678 ordinary shares outstanding as at 8 November 2021.

³ Oreplore is a mine-tech group that aims to supply the global mining industry with mineral data and to support the digital transformation.

⁴ Swick Shareholders will vote on the Demerger on 22 December 2021 with the Oreplore shares expected to commence trading on the ASX at the beginning of 2022.

committed to seed fund Orexplore with A\$12 million (“Seed Funding”) immediately before completion of the Demerger. In conjunction with the listing, Orexplore will undertake a priority offer to raise between A\$1.0 million and A\$2.5 million of additional equity at a price of A\$0.25 per share (“Priority Offer”).

On completion of the Demerger and before implementation of the Scheme, Swick will consist only of its underground drilling business (“Drilling Business”) which is the subject of the Scheme.

Based on the 5-day volume weighted average price (“VWAP”) of DDH1 Shares before the announcement of the Indicative Proposal of A\$1.1793 per share, the Scheme values Swick at A\$0.35 per share after the Demerger (i.e. excluding Orexplore). If the Scheme is implemented, the following will occur:

- Swick Shareholders in aggregate will hold approximately 19.7% of the enlarged issued capital of DDH1.
- The Merged Entity will continue to be led by DDH1 Management Team and Directors.
- The Merged Entity will operate a combined fleet of more than 170 drilling rigs generating pro-forma FY21 revenues and EBITDA of c. A\$445 million and c. A\$104 million⁵ respectively, with revenues split approximately 60% to surface and 40% to underground drilling operations.
- DDH1 has estimated cost synergies of between A\$2.0 million and A\$5.0 million per annum (before tax and excluding one-off implementation costs) by combining the operations of the two businesses.
- DDH1 expects to retain its current dividend policy of 30% to 50% of its net profit after tax and amortisation (“NPATA”)⁶.

The Proposed Scheme is subject to Swick Shareholder and Court approval of the Proposed Scheme, approval by Swick Shareholders of the Demerger, Foreign Investment Review Board (“FIRB”) approval, no Swick or DDH1 material adverse change as well as other customary conditions precedent as discussed in Section 1.

The Proposed Scheme contains customary exclusivity provisions including no shop, no talk and no due diligence restrictions and a notification obligation, subject to Swick Director’s fiduciary obligations. The SIA also details circumstances under which Swick or DDH1 may be required to pay a break fee of A\$994,000 if the Scheme is not implemented (refer to Section 1 for more details).

In the absence of a superior proposal emerging, and subject to an independent expert concluding and continuing to conclude that the Scheme is in the best interests of Swick Shareholders, the Directors of Swick have unanimously recommended that Swick Shareholders vote in favour of the Scheme and intend to vote, or procure the voting of, any Swick Shares in which they have a relevant interest, representing approximately 12.3% of the issued capital, in favour of the Scheme.

⁵ Based on FY21 underlying revenue and EBITDA for DDH1 and Swick’s Drilling Business.

⁶ The DDH1 Directors expect the performance of DDH1 will allow any dividend to be fully franked dividends but will consider the ability of the dividend to be franked before declaring any dividend.

Purpose of the report

The Directors of the Company have requested Grant Thornton Corporate Finance to prepare an Independent Expert's Report ("IER") stating whether the Scheme is in the best interests of the Shareholders of the Company for the purposes of section 411 of the Corporations Act 2001 (Cth) ("Corporations Act").

When preparing this IER, Grant Thornton Corporate Finance has had regard to the Australian Securities Investment Commission's ("ASIC") Regulatory Guide 111 *Contents of expert reports* ("RG 111") and Regulatory Guide 112 *Independence of experts* ("RG 112"). The IER also includes other information and disclosures as required by ASIC.

Summary of opinion

Grant Thornton Corporate Finance has concluded that the Scheme is FAIR AND REASONABLE and hence IN THE BEST INTERESTS of Swick Shareholders in the absence of a superior proposal emerging.

In forming our opinion, Grant Thornton Corporate Finance has considered whether the Scheme is fair and reasonable to Swick Shareholders, and as part of that consideration, has had regard to other quantitative and qualitative considerations.

Fairness Assessment

Grant Thornton Corporate Finance has compared the value per Swick Share before the Scheme (on a control basis) to the assessed value Scheme Consideration, being DDH1 Shares on a minority basis. The following table summarises our fairness assessment:

Fairness assessment	Section Reference	Low	High
A\$ per share			
Fair market value of SWK shares before the Proposed Scheme (control)	8.0	0.326	0.427
Fair market value of the Scheme Consideration	9.0	0.332	0.375
Premium/(discount)		0.005	(0.052)
Premium/(discount) (%)		1.59%	(12.19%)
FAIRNESS ASSESSMENT		FAIR	

Source: GTCF analysis

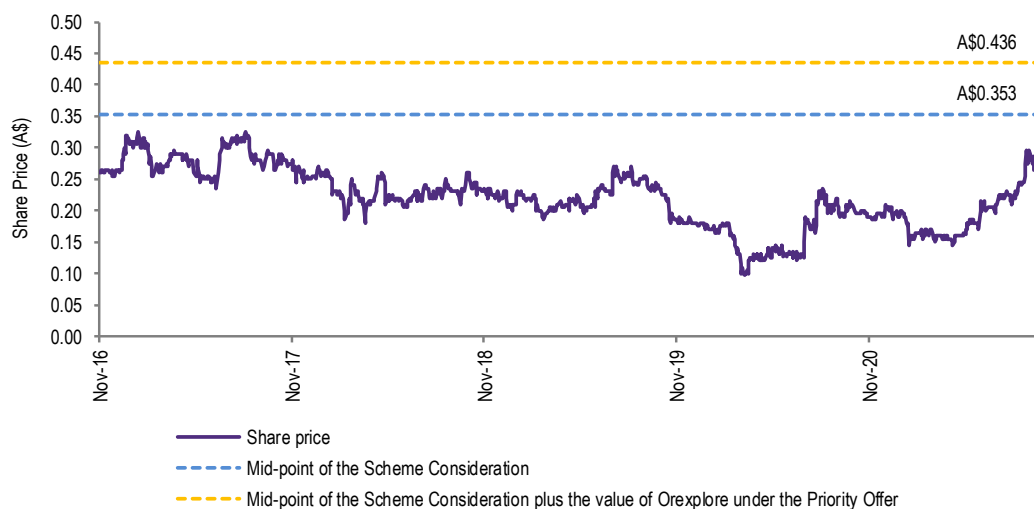
The value of the Scheme Consideration on a minority basis is **within** our valuation of Swick before the Scheme on a control basis, although at the low end. Accordingly, we conclude that the Scheme is **FAIR** to Swick Shareholders. In reaching our conclusion on the fairness of the Scheme, we have considered the following:

- The low-end of the valuation range of the Scheme Consideration is slightly above the low-end of Swick on a control basis before the Scheme.
- We have cross-checked our valuation assessment of Swick before the Scheme having regard to the trading prices and the premium for control paid for by DDH1. The Scheme Consideration implies a premium for control calculated over the trading prices before the announcement of the

Scheme adjusted for the assessed value of Orexplore⁷ which is materially above the average premium for control paid historically in Australia for successful takeovers which supports the fairness of the valuation assessment.

- The mid-point of the Scheme Consideration of A\$0.353, which exclude the value that the in-specie distribution of Orexplore shares, is higher than the price at which Swick Shares have traded in the last five year. If the value of Orexplore is added to the mid-point Scheme Consideration, the total value that Swick Shareholders will receive following implementation of the Scheme and the Demerger is A\$0.436⁸.

Historical trading prices and the Scheme Consideration



Source: S&P Global, GTCF analysis

Whilst we have concluded that the Scheme is fair, there are a number of combinations of values, in particular at the high-end of the Swick valuation range, where the Scheme Consideration may be lower than the valuation assessment of Swick on a control basis. Under these circumstances, the Scheme would be not fair, however we are of the opinion that it would still be reasonable having regard to the reasonableness considerations set out below and hence it would remain in the best interests of Swick Shareholders.

Swick Shareholders should be aware that our assessment of the value per Swick Share should not be considered to reflect the price at which Swick Shares may trade if the Scheme is not implemented. The price at which Swick Shares will ultimately trade depends on a range of factors, including: the available public market for Swick Shares, the demand for underground mineral drilling services, macro-economic conditions, the impact of further potential COVID-19 outbreaks and associated restrictions on the economy and the performance of Swick's business.

We have assessed the fair market value of Swick Shares on a control basis by adopting a market based approach having regard to the enterprise value as a multiple of EBITDA ("EBITDA Multiple

⁷ Calculated at 4.1c as an enterprise value of Orexplore implied in the Priority Offer of A\$11.5 million (A\$23.5 million less the Seed Funding of A\$12 million which is still recognised in the trading price of Swick before the announcement) divided by 281.7 million Swick Shares on issue as at 30 June 2021. A\$23.5 million is the implied market capitalisation of Orexplore prior to any shares issued pursuant to the Priority Offer.

⁸ Calculated at 8.3c as an equity value of Orexplore implied in the Priority Offer of A\$23.5 million (including the Seed Funding of A\$12 million which is going to be transferred to Orexplore immediately before completion of the Demerger) divided by 281.7 million Swick Shares on issue as at 30 June 2021. A\$23.5 million is the implied market capitalisation of Orexplore prior to any shares issued pursuant to the Priority Offer.

Method”) as our primary approach, which we have cross checked with the Quoted Share Price Method.

Valuation assessment of Swick

EBITDA Multiple

FME Method - valuation summary A\$ '000 (except where stated otherwise)	Section Reference	Low	High
GT Assessed FY22 EBITDA ¹	8.1.1	33,000	36,000
Assessed EBITDA Multiple (control basis)	8.1.2	3.50x	4.00x
Enterprise value (control basis)		115,500	144,000
Less: Net debt ²	8.1.3	(24,475)	(24,475)
Add: Surplus assets ³	8.1.3	1,571	1,571
Equity value		92,596	121,096
Number of outstanding shares ('000s) - fully diluted	8.1.4	283,663	283,663
Value per share (A\$ per Share)		0.326	0.427

Sources: S&P Global, Management, GTCF analysis

Note (1): EBITDA and EBITDA multiples prepared on a post-AASB 16 basis. Note (2): Net debt includes hire purchase and right-of-use asset lease liabilities of A\$11.4 million and interest bearing net debt of A\$15.7 million (estimated at completion). Note (3): Surplus assets relate to holdings in an unlisted property unit trust, this has been measured at fair value from the FY21 financial accounts net of expected tax payable.

We have outlined below the basis for the key assumptions adopted in our valuation assessment of Swick based on the EBITDA Multiple approach:

- **FY22 EBITDA** – The EBITDA adopted for our valuation assessment exclude Oreplore given that implementation of the Demerger is a condition precedent for the Scheme to proceed. We have assessed the FY22 EBITDA between A\$33.0 million and A\$36.0 million on a post-AASB 16 basis. The substantial increase in the FY22 EBITDA (c.15% compared with FY21 underlying EBITDA of the Drilling Business) reflects both the increased rig utilisation as well as the renewal of two key contracts within the year. The growth aligns to the expected industry increase in FY22 gold production and exploration expenditure as discussed in Section 3.3.2, it is in line with the broker’s forecast and it takes into account Grant Thornton’s review of the internal management projection for FY22 and YTD financial performance. It is also consistent with the expected EBITDA growth of DDH1.
- **EBITDA Multiple** – The selected FY22 EBITDA multiple is based on the trading multiples of comparable companies and comparable transactions. Specifically, we note the following:
 - The average and median EBITDA multiples of the listed comparable company set are 3.6x and 3.1x respectively on a minority basis.
 - The average and median EBITDA multiples of the comparable transaction set are 3.9x and 3.7x respectively on a control basis.
 - DDH1 traded at an FY22 EBITDA multiple of 4.4x before the announcement of the Scheme, however, DDH1’s size, margins, historical and forecast growth and revenue per rig are higher than SWK and accordingly it warrants a higher multiple.

We have cross-checked our valuation assessment with the trading prices before the announcement of the proposal and the implied premium for control (discussed below) which support our fairness assessment based on the EBITDA Multiple.

Value of the Scheme Consideration

Swick Shareholders will receive 0.2970 DDH1 Share for each Swick Share held. We have valued DDH1 after the Scheme based on the EBITDA Multiple and the Quoted Security Price Method. A summary of the value of the Scheme Consideration on a minority basis is summarised below.

Valuation assessment of the Scheme Consideration A\$ '000 (except where stated otherwise)	Section Reference	Low	High
FY22 EBITDA approach	9.1	0.322	0.393
Trading prices	9.2	0.342	0.356
Fair Value of the Scheme Consideration		0.332	0.375

Sources: S&P Global, Management, GTCF analysis

In our valuation assessment, we have assumed that Swick Shareholders will be able to realise the DDH1 Shares received as consideration in the short term. The decision to continue to hold DDH1 Shares beyond the short term period following implementation of the Scheme is a separate investment decision which depends on the individual circumstances of Swick Shareholders and accordingly it has not been considered in this Report.

EBITDA Multiple

FME Method - valuation summary A\$ '000 (except where stated otherwise)	Section Reference	Low	High
Brokers' assessed FY22 EBITDA - DDH1	9.1.1	83,000	87,000
GT Assessed FY22 EBITDA - Swick	8.1.1	33,000	36,000
Assessed synergies (pre-tax basis)	9.1.2	2,000	5,000
Pro-forma EBITDA		118,000	128,000
Assessed EBITDA Multiple (times)	9.1.3	4.00x	4.50x
Enterprise value (control basis)		472,000	576,000
Add: Net debt Merged Group (post AASB-16)	9.1.4	(12,104)	(12,104)
Add: Other adjusting balances	9.1.4	556	(444)
Add: Surplus assets - DDH1	9.1.5	562	562
Add: Surplus assets - Swick	8.1.3	1,571	1,571
Equity value		462,584	565,584
Number of existing DDH1 shares ('000s)	9.1.6	342,805	342,805
DDH1 shares issued to Swick Shareholders ('000s)	9.1.6	84,248	84,248
Total Merged Entity shares		427,053	427,053
Value per share (A\$ per Share)		1.083	1.324
Exchange Ratio (times)		0.2970	0.2970
Implied value of Consideration (\$)		0.322	0.393

Sources: S&P Global, Management, GTCF analysis

Note: EBITDA and EBITDA multiples prepared on a post-AASB 16 basis. DDH1 surplus assets relate to minority investments in listed and unlisted companies. SWK surplus assets relate to holdings in an unlisted property unit trust.

We have outlined below the basis for the key assumptions adopted:

- *FY22 EBITDA* – The EBITDA adopted for our valuation assessment is the aggregation of the Swick FY22 EBITDA assessed by Grant Thornton as discussed above, brokers' consensus FY22 EBITDA for DDH1 plus the synergies between A\$2 million and A\$5 million identified by DDH1 Management.
- *EBITDA Multiple* – The EBITDA adopted for our valuation assessment is based on the recent trading prices and EBITDA multiple of DDH1 before and after the announcement of the Scheme. This is consistent with our approach to the value of the Scheme Consideration that Swick Shareholders will be able to realise the DDH1 Shares received as consideration in the short.

Trading prices

In the valuation assessment of the Scheme Consideration, we have also had regard to the trading prices of DDH1 on a minority basis after the announcement of the Scheme. We are of the opinion that this is reasonable due to the following:

- It reflects the views of investors of the marked value of the Merged Entity, including realisation of cost savings, synergies, economies of scale and cross selling opportunities.
- Swick Shareholders will collectively own 19.7% of the Merged Group and no individual Swick Shareholder will hold a significant interest (on a fully diluted basis). Accordingly, they will not be able to influence and change the strategic direction of DDH1, which is consistent with the portfolio value reflected in DDH1's trading price. In addition, the Directors and Management Team of DDH1 will not change and accordingly the current Directors of Swick⁹ will not be involved in the Merged Group going forward.
- As discussed in section 9, there is liquidity in DDH1 trading prices to allow Swick Shareholders to realise in an ordinary manner the DDH1 Shares received as consideration at market value. Accordingly, the trading price of DDH1 Shares represents a reasonable proxy of the value that accepting Swick Shareholders could expect to realise from their investment if they decide to sell the DDH1 Shares received as consideration.
- The decision to continue to hold DDH1 Shares beyond the short term period following implementation of the Scheme is a separate investment decision which depends on the individual circumstances of Swick Shareholders and accordingly, it has not been considered in this Report.

The table below summarises the assessed value of the Scheme Consideration based on the trading prices of DDH1 following the announcement of the Initial Proposal.

⁹ We note that the current Managing Director of Swick will continue in this position, however he will not be a Director of the Merged Group.

Share price approach A\$ '000 (except where stated otherwise)	Section Reference	Low	High
Assessed share price of DDH1	9.2.1	1.15	1.20
Exchange Ratio		0.297	0.297
Value of the Scheme Consideration		0.342	0.356

Source: S&P Global, GTCF analysis

Given that the value of the Scheme Consideration is sensitive to changes in the trading prices of DDH1 up to the Second Court Date, we have set out below a sensitivity analysis.

Share price approach - Sensitivity A\$ '000 (except where stated otherwise)							
DDH1 trading price	1.00	1.05	1.10	1.15	1.20	1.25	1.30
Exchange Ratio	0.2970	0.2970	0.2970	0.2970	0.2970	0.2970	0.2970
Implied value of Scheme Consideration	0.297	0.312	0.327	0.342	0.356	0.371	0.386

Source: S&P Global, GTCF analysis

Reasonableness Assessment

RG 111 establishes that an offer is reasonable if it is fair. It might also be reasonable if, despite being not fair, there are sufficient reasons for the security holders to accept the offer in the absence of any superior proposal. In assessing the reasonableness of the Scheme, we have considered the following advantages, disadvantages and other factors.

Advantages

Premium for control

A premium for control is applicable when the acquisition of control of a company or business would give rise to benefits such as the ability to realise synergies, access technology, access tax benefits and control of the board of Directors of the Company. We have assessed in Section 9, the value of the Scheme Consideration between A\$0.332 and A\$0.375. The assessment of the premium for control implied in the Proposed Transaction is not straight forward as Swick is currently in the process of demerging Orexplre, which will be separately listed on the ASX and Swick Shareholders will receive Orexplre shares¹⁰ in addition to the Scheme Consideration. The Demerger was first announced to the market on 30 July 2020 and accordingly, Swick's trading prices before the announcement of the Scheme may reflect some value attributed by investors to Orexplre (which is not acquired by DDH1 and not reflected in the Scheme Consideration).

Based on the final terms of the Demerger announced by Swick on 23 November 2021¹¹ and assuming that Orexplre will trade in line with the Priority Offer, at least in the short term, we have estimated the value that should be deducted from the Swick trading prices before and after the announcement of the Scheme to reflect the value of Orexplre and make them suitable for a like for like comparison with the Scheme Consideration, to be A\$0.041 per share¹². We are of the opinion that this assessment is conservative and not unreasonable due to the following:

¹⁰ One Orexplre share for every three Swick Shares.

¹¹ And the associated Addendum to Notice of Meeting announced on 7 December 2021

¹² Calculated as an enterprise value of Orexplre implied in the Priority Offer of A\$11.5 million (A\$23.5 million less the Seed Funding of A\$12 million) divided by 281.7 million Swick Shares on issue as at 30 June 2021. A\$23.5 million is the implied market capitalisation of Orexplre prior to any shares issued pursuant to the Priority Offer.

- Following the announcement of the terms of the Demerger on 23 November 2021, Swick is trading around A\$0.39 per share which is c. 4 cents over the value of the Scheme Consideration of c. A\$0.35 per share (as at the date of the announcement of the Scheme and based on the midpoint of our valuation assessment).
- The value of Orexplore of 4.1 cents adopted in our calculation is conservative when compared with the Independent Valuation of Orexplore commissioned by Swick and included in the Notice of Meeting, Addendum to the Notice of Meeting and Explanatory Memorandum dispatched to the Swick Shareholders in relation to the Demerger and with the capital invested by Swick over the years to develop Orexplore.

Based on the above, we have outlined below our calculation of the premium for control implied in the Scheme Consideration.

Implied control premium	Low	Mid	High
A\$ per share	1d VWAP	10d VWAP	1m VWAP
Trading prices of SWK shares ¹	0.270	0.276	0.271
Less: value of Orexplore in line with Priority Offer	(0.041)	(0.041)	(0.041)
Implied per share value of the Drilling Business	0.229	0.235	0.230
Fair market value of the Scheme Consideration ²	0.332	0.353	0.375
Implied control premium	44.8%	50.3%	63.0%

Source: CapitalIQ and GTCF calculations

Note (1): Low, Mid and High SWK share prices are based on the 1-day, 10-day and 1 month VWAP respectively before the announcement of the Initial Proposal. Note (2): Fair market value per share of the Scheme Consideration, the Mid value was calculated using the midpoint between the low and high.

In addition to the above, we have also assessed the premium for control received by Swick Shareholders by comparing the exchange ratio between Swick and DDH1 based on the respective VWAPs (for Swick we have detracted a value for Orexplore of 4.1 cents per share as calculated above) prior to the announcement of the Scheme with the Exchange Ratio of 0.2970 implied in the Scheme as set out in the table below:

VWAP comparison	SWK trading prices A\$ ¹	Less: value of Orexplore ²	Implied value of SWK Drilling business ³	DDH1 trading prices A\$ ¹	Implied exchange ratio	Scheme Exchange Ratio premium ⁴
Prior to 12 October 2021						
1 day	0.270	(0.041)	0.229	1.141	0.201	48%
5 day	0.269	(0.041)	0.228	1.146	0.199	49%
10 day	0.276	(0.041)	0.235	1.174	0.200	48%
1 month	0.271	(0.041)	0.230	1.193	0.193	54%
2 month	0.248	(0.041)	0.207	1.142	0.181	64%
3 month	0.243	(0.041)	0.202	1.142	0.177	68%

Source: CapitalIQ and GTCF calculations

Note (1): SWK and DDH1 trading prices based on data up to the 11 October 2021 before the Scheme announcement date.

Note (2): Value of Orexplore in line with Priority Offer.

Note (3): Calculated as the SWK trading price minus the value of Orexplore.

Note (4): Scheme Exchange ratio premium calculated as Implied Exchange ratio / Scheme Exchange Ratio of 0.2970.

As outlined in the table above, the Exchange Ratio under the Scheme Consideration is favourable to Swick Shareholders based on the historical share exchange ratio which reflects the premium for control received.

This premium for control will not be available to Swick Shareholders in the absence of the Scheme or a superior proposal, and we are of the opinion that it is unlikely that the trading price of Swick will increase in line with the Scheme Consideration at least in the short term.

Strategic benefits

The Scheme will create an enlarged entity which should enhance the ability of Swick to pursue growth opportunities, access greater quantities of resources and have a broader commercial reach due to the following:

- The Scheme will increase the scale and product range of the Merged Entity, which should enhance its competitive positioning in the marketplace and provide long-term benefits for all the shareholders involved.
- The Merged Entity will be able to provide one-stop services in surface and underground drilling to many of its larger clients in Australia and globally which is expected to accelerate sales and revenue growth as well as international expansion. We note that Swick, differently from DDH1, already has a strong presence in North America with significant cross selling opportunities for DDH1. Similar to Swick, the Merged Entity will be heavily exposed to the Gold and Copper mining industries which at present are benefiting from high commodity prices and strong demand for drilling services. Swick Shareholders should also benefit from greater commodity diversification through DDH1's exposure to iron ore. While iron ore prices have fallen from the recent highs experienced between the end of 2020 and late 2021, they remain relatively elevated and around long term averages.
- Swick underground drilling services are complementary and with minimum overlap with DDH1 surface drilling offering, therefore providing numerous cross-selling opportunities to grow the client base of the Merged Entity. Swick is well known for its innovative and cutting edge products which could be leveraged off across the assets base of the Merged Group to create value for all the Shareholders.
- DDH1 and Swick have historically generated a strong financial performance with strong growth in revenue, EBITDA and client base. The Merged Entity will be a materially larger and more financially robust company than Swick on a stand-alone basis.
- The Merged Entity should be able to raise debt and equity, if required, on more attractive terms than those available to Swick on a stand-alone basis, providing additional financial flexibility and an enhanced capacity to exploit growth opportunities.
- The market capitalisation of the Merged Entity will be significantly higher than DDH1's market capitalisation on a stand-alone basis which should result in greater analysts' coverage and investors' awareness which should lead to greater liquidity.

Synergies realisation and business combination benefits

Swick currently incurs overhead expenses such as audit, directors' fees, insurance, printing, accounting, share registry and stock exchange listing fees. Following the implementation of the Scheme, it is expected that a proportion of these overhead expenses would be rationalised as Swick will become a wholly owned subsidiary of DDH1. Further, the integration of the similar businesses currently held by the two entities is expected to reduce certain operating costs through the streamlining of activities, particularly in the centralised head-office functions. DDH1 has estimated that the combination of the two businesses will deliver annual costs synergies between A\$2 million and A\$5 million (before tax and excluding one-off implementation costs). In addition, DDH1 has

indicated that there is a large revenue opportunity to deliver whole of mine specialised drilling services to several of the Merged Entity clients. This opportunity is yet to be quantified.

Merged expertise and skills of the workforce

The Merged Group will enable Swick and DDH1 to combine the expertise and skills of both sets of management teams and general workforce, and enable the deployment of the most qualified personnel and skills across the two companies' portfolio of products and services. We note that Kent Swick, Founder and Managing Director of Swick, will continue as Managing Director of Swick.

Likelihood to receive a premium for control in the future

As discussed before, we have estimated that Swick Shareholders will receive a premium for control in conjunction with the Scheme.

In addition, given the shareholders' structure of the Merged Group, no shareholders will be able to exert a significant influence over the strategic and operational decisions of the Merged Group or block/prevent the Merged Group from receiving a premium for control in the future. We note that the largest shareholder of the Merged Group will hold approximately up to 17.7%¹³ of the issued capital.

Rollover relief

Swick Shareholders may benefit from the Australian Capital Gains Tax rollover relief, potentially enabling Swick Shareholders to disregard capital gains made from the disposal of their Swick Shares under the Proposed Scheme.

Disadvantages

Risks in integration of companies

There is a risk that the integration of the two businesses may take longer than expected and the expected synergies may not be realised within the anticipated timeframe, to their full extent or at all. A failure to achieve targeted synergies may have an adverse impact on the operations and financial performance and position of the Merged Group and affect the value of the Scheme Consideration for those Swick Shareholders who have decided to retain their investment.

Swick's Improving financial performance and demerger of Orexplore could have led to a re-rating of Swick Share price in the absence of the Proposed Scheme

In early 2021 Swick sold its low-margin RC business and the Company is currently in the process of finalising the Demerger to focus on its Drilling Business. In the absence of the Scheme, the trading price of Swick may have benefited from a re-rating once the Demerger is completed. We note that upon the announcement of the final terms of the Demerger on 23 November 2021, the trading prices of Swick closed the day up c. 6%% which seems to indicate that limited value was attributed to Orexplore in the trading prices before the announcement of the Scheme. However this is mitigated by the fact that Swick Shareholders will retain 100% exposure to Orexplore and pro-rata exposure to the Merged Group based on the Exchange Ratio.

¹³ The largest shareholder relates to Oaktree Funds which will hold 75,753,063 shares in the Merged Group.

Relative contribution to the Merged Entity

If the Proposed Scheme is implemented, Swick Shareholders will hold approximately 19.7% of the Merged Entity. Set out below, we have considered the FY21 relative contribution by each company to the Merged Group in relation to certain key items.

Relative contribution	Swick FY21	DDH1 FY21	Swick FY21	DDH1 FY21
	A\$ million	A\$ million	Contribution	Contribution
Merger ratio			19.7%	80.3%
FY21 KPI Contributions				
Revenue	150.1	294.6	33.8%	66.2%
EBITDA	29.1	74.6	28.1%	71.9%
EBIT	16.6	50.9	24.6%	75.4%
NPAT	10.8	35.1	23.5%	76.5%
Net assets	63.5	233.7	21.4%	78.6%
Rig numbers	72.0	100.0	41.9%	58.1%

Source: GTCF analysis, Management Information

Note: Figures derived from pro-forma balance sheet and pro forma income statement from DDH1 investor presentation, October 2021.

We note that Swick Shareholders' collective interest in the Merged Group of c. 19.7% is substantially lower than the relative contribution in terms of most of the KPIs listed above. This reflects the difference in debt levels and relative valuation between DDH1 and Swick. Regarding net debt, DDH1 is in a net cash position compared with Swick's net debt position of A\$15.7 million before AASB 16 adjustments and after the Seed Funding to Orexplore. We also note that DDH1 trades at an FY22 EBITDA ranging between 4.0x and 4.5x since the IPO which is substantially above the average and median EBITDA multiples of the listed peer set, at 3.6x and 3.1x respectively and the FY21 EBITDA multiple implied in the Scheme Consideration of 3.9x (pre synergies)¹⁴.

In our view, DDH1's higher multiple is driven primarily by the following:

- As well as being the largest mineral driller in Australia, DDH1 has the highest revenue per rig and EBITDA margins amongst the set of comparable companies. DDH1 has c. 100 rigs and it has grown revenues at a CAGR of 19% over the last three years.
- DDH1 is more diversified from a commodity perspective, in the drilling methods it employs, and across the mine life cycle.
- Growth expectations from investors and investments' analysts.

Other factors

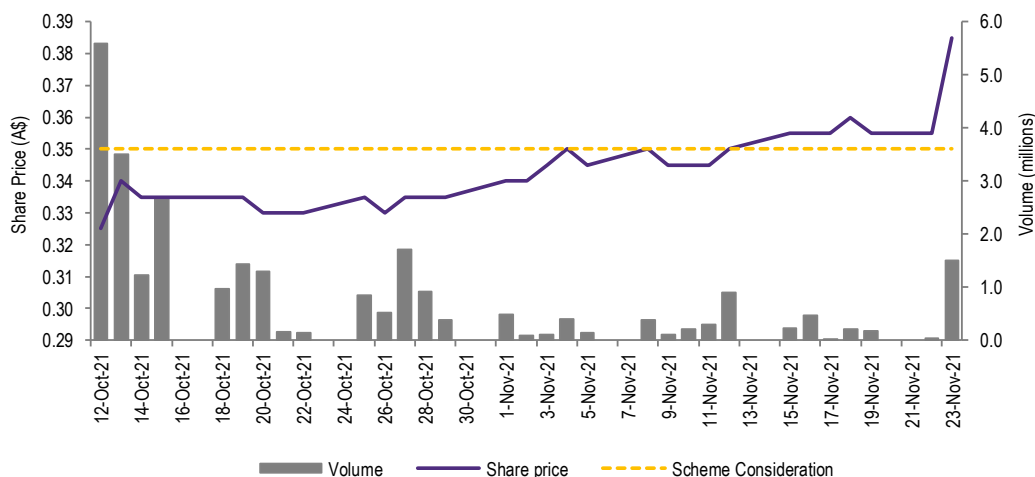
Share price after the announcement

As set out below, following the announcement of the Scheme, the share price of Swick has traded substantially in line with or slightly below the Scheme Consideration which seems to indicate good support from investors. We note that the trading prices increased above the Scheme Consideration after the announcement of the terms of the Orexplore Demerger on 23 November 2021 which seems to indicate that the market was attributing limited value to this opportunity. Once the record date to

¹⁴ DDH1 presentation on the Scheme.

receive Oreplore shares passes, the trading prices of Swick are expected to realign to the Scheme Consideration in the absence of a superior proposal.

Trading price after the announcement date



Sources: S&P Global, GTCF analysis.

Note: Scheme consideration of A\$0.35 cents is based on the Exchange Ratio of 0.2970 new DDH1 shares for every 1 Swick share and the 5-day volume weighted average price for DDH1 shares of A\$1.1793 over the 5 trading days before the Initial Proposal.

Prospect of a superior offer or alternative transaction

Whilst Swick has agreed not to solicit any competing proposals or to participate in discussions or negotiations in relation to any competing proposals during the exclusivity period, there are no impediments to an alternative proposal being submitted by potentially interested parties. The transaction process should act as a catalyst for potentially interested parties to assess the merits of potential alternative transactions.

If an alternative proposal on better terms was to emerge, it is expected that this would occur prior to the shareholder meeting convened to consider the Proposed Scheme. We note that there will be a significant time-lag between the release of this IER and the Swick Shareholders meeting to approve the Proposed Scheme. In the event that an alternative offer on better terms emerges, shareholders will be entitled to vote against the Proposed Scheme or the shareholders meeting will be adjourned.

Dividend policy and dividend entitlement

DDH1 has indicated its intention to retain its current dividend policy of 30% to 50% NPATA (excluding extraordinary items). Further, based on the expected close date of the Scheme, it is anticipated that Swick Shareholders will be eligible for the DDH1 interim first half dividend which we have not captured in our valuation assessment.

Implications if the Scheme is not implemented

If the Scheme is not implemented, it would be the current Directors' intention to continue operating Swick in line with its objectives. Swick Shareholders who retain their shares would continue to share in any benefits and risks in relation to Swicks ongoing business. In addition, we note that Swick may be required to pay a break fee of A\$994,000 in certain circumstances. We also note, in the absence of the Scheme or an alternative transaction, all other things being equal, SWK shares may trade at prices below the Scheme Consideration, at least in the short-term.

Directors' recommendations and intentions

As at date of this Report, the Directors of Swick have recommended that Swick Shareholders vote in favour of the Scheme in the absence of a superior alternative proposal emerging and subject to the Independent Expert concluding and not changing its conclusion that the Scheme is in the best interests of Swick Shareholders. The Directors also intend to vote the shares they hold or control in favour of the Scheme.

Reasonableness conclusion

Based on the qualitative factors identified above, it is our opinion that the Scheme is **REASONABLE** to Swick Shareholders.

Overall conclusion

After considering the abovementioned quantitative and qualitative factors, Grant Thornton Corporate Finance has concluded that the Scheme is **FAIR AND REASONABLE and hence in the BEST INTERESTS** of Swick Shareholders in the absence of a superior alternative proposal emerging.

Other matters

Grant Thornton Corporate Finance has prepared a Financial Services Guide ("FSG") in accordance with the Corporations Act. The Financial Services Guide is set out in the following section.

The decision of whether or not to vote in favour of the Proposed Scheme is a matter for each Swick Shareholder to decide based on their own views of value of Swick and expectations about future market conditions, Swick's performance, risk profile and investment strategy. If Swick Shareholders are in doubt about the action they should take in relation to the Proposed Scheme, they should seek their own professional advice.

Yours faithfully

GRANT THORNTON CORPORATE FINANCE PTY LTD



ANDREA DE CIAN
Director



JANNAYA JAMES
Director

Financial Services Guide

1 Grant Thornton Corporate Finance Pty Ltd

Grant Thornton Corporate Finance carries on a business, and has a registered office, at Level 17, 383 Kent Street, Sydney NSW 2000. Grant Thornton Corporate Finance holds Australian Financial Services Licence No 247140 authorising it to provide financial product advice in relation to securities and superannuation funds to wholesale and retail clients.

Swick appointed Grant Thornton Corporate Finance Pty Ltd to provide general financial product advice in the form of an independent expert's report in relation to the Scheme.

2 Financial Services Guide

This Financial Services Guide ("FSG") has been prepared in accordance with the Corporations Act, 2001 and provides important information to help retail clients make a decision as to their use of general financial product advice in a report, the services we offer, information about us, our dispute resolution process and how we are remunerated.

3 General financial product advice

In our report we provide general financial product advice. The advice in a report does not take into account your personal objectives, financial situation or needs.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

4 Remuneration

When providing the Report, Grant Thornton Corporate Finance's client is the Company. Grant Thornton Corporate Finance receives its remuneration from the Company. In respect of the Report, Grant Thornton Corporate Finance will receive from Swick a fixed fee of A\$130,000 (plus GST) which is based on commercial rates, plus reimbursement of out-of-pocket expenses for the preparation of the report. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority.

Except for the fees referred to above, no related body corporate of Grant Thornton Corporate Finance, or any of the directors or employees of Grant Thornton Corporate Finance or any of those related bodies or any associate receives any other remuneration or other benefit attributable to the preparation of and provision of this report.

5 Independence

Grant Thornton Corporate Finance is required to be independent of Swick in order to provide this report. The guidelines for independence in the preparation of independent expert's reports are set out in RG 112 *Independence of expert* issued by ASIC. The following information in relation to the independence of Grant Thornton Corporate Finance is stated below.

"Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with Swick (and associated entities) that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation the Scheme.

Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the Scheme, other than the preparation of this report.

Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the transaction. Grant Thornton Corporate Finance's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.

Grant Thornton Corporate Finance considers itself to be independent in terms of RG 112 "Independence of expert" issued by the ASIC."

6 Complaints process

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Australian Financial Compliance Authority (membership no. 11800). All complaints must be in writing and addressed to the Chief Executive Officer at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Australian Financial Compliance Authority who can be contacted at:

Australian Financial Compliance Authority
GPO Box 3
Melbourne, VIC 3001
Telephone: 1800 931 678

Grant Thornton Corporate Finance is only responsible for this report and FSG. Complaints or questions about the General Meeting should not be directed to Grant Thornton Corporate Finance. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

7 Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

Contents

	Page
1 Outline of the Proposed Acquisition	18
2 Purpose and scope of the report	19
3 Industry overview	21
4 Profile of Swick	31
5 Profile of DDH1 Limited	45
6 Profile of the Merged Group	58
7 Valuation methodologies	62
8 Valuation assessment of SWK	64
9 Valuation assessment of Consideration	80
Sources of information, disclaimer and consents	87
Appendix A – Valuation methodologies	89
Appendix B – Comparable companies	90
Appendix C – Premium for control study	91
Appendix D – Glossary	92



1 Outline of the Proposed Acquisition

1.1 Other key terms of the Scheme

We have set out below some of the key terms of the SIA:

- *Conditions precedent* – the SIA includes the following conditions precedent:
 - Approval of the Scheme by Swick Shareholders and by the Court in accordance with Sections 411(4)(a)(ii) and 411(4)(b) of the Corporations Act respectively.
 - FIRB approval before the Second Court Date in respect of the Scheme.
 - Approval by Swick Shareholders for the Orexplora Demerger and execution of the Demerger Agreement.
 - No liability arises and becomes payable by Swick under the Demerger Agreement which is in excess of the maximum recovery amount under the Demerger Agreement.
 - No Swick or DDH1 prescribed occurrences and no material adverse changes, and other conditions precedent typical for a transaction of this type.
- *Break Fee* – A break-fee of A\$994,000 may become payable by Swick to DDH1 if the Scheme does not proceed due to:
 - A competing proposal is announced by a third party before the earlier of the Second Court Date or termination of the SIA and within twelve months from its announcement, the third party acquires a relevant interest in more than 20% of Swick.
 - A majority of the Swick Directors withdraw or adversely revise or qualify their voting intention or recommendation to vote in favour of the Scheme during the exclusivity period, except in limited circumstances set out in the SIA.
 - DDH1 terminates the SIA due to a material breach by Swick of the terms of the SIA.

Others – The SIA contains customary exclusivity provisions including no shop and no talk restrictions, restrictions on providing or making available information or access to due diligence (with the no talk and no due diligence restrictions subject to a fiduciary-out), and a matching counterproposal right for DDH1 in the event the Directors receive a superior proposal.



2 Purpose and scope of the report

2.1 Purpose

Section 411 of the Corporations Act

Section 411 of the Corporations Act 2001 regulates schemes of arrangement between companies and their members. Part 3 of Schedule 8 of the *Corporations Regulations 2001 (Cth)* (“Corporations Regulations”) prescribes information to be sent to shareholders and creditors in relation to members’ and creditors’ scheme of arrangement pursuant to Section 411 of the Corporations Act.

Part 3 of Schedule 8 (s640) of the Corporations Regulations requires an independent expert’s report in relation to a scheme to be prepared when a party to that scheme has a shareholding greater than 30% in the company subject to the scheme, or where any of its directors are also directors of the company subject to the scheme. In those circumstances, the independent expert’s report must state whether a scheme is in the best interests of shareholders and state reasons for that opinion. Even where there is no requirement for an independent expert’s report, documentation for a scheme of arrangement typically includes an independent expert’s report.

While there is no legal requirement for an independent expert’s report to be prepared in respect of the Scheme, the Directors of Swick have requested Grant Thornton Corporate Finance to prepare an independent expert’s report to express an opinion as to whether the Scheme is in the best interests of Swick Shareholders.

2.2 Basis of assessment

In determining whether the Scheme is in the best interests of the Company’s members, Grant Thornton Corporate Finance has had regard to relevant Regulatory Guides issued by the ASIC, including RG 111, Regulatory Guide 60 Scheme of arrangement (“RG60”) and RG 112. The IER will also include other information and disclosures as required by ASIC. We note that neither the Corporations Act nor the Corporations Regulations define the term “in the best interests of members”.

RG 111 establishes certain guidelines in respect of independent expert’s reports prepared for the purposes of the Corporations Act. RG111 is framed largely in relation to reports prepared pursuant to Section 640 of the Corporations Act and comments on the meaning of “fair and reasonable” in the context of a takeover offer. RG111 requires an independent expert report prepared for a change of control transaction implemented by way of scheme of arrangement to undertake an analysis substantially the same as for a takeover bid. However, the opinion of the expert should be whether or not the proposed scheme is “in the best interests of the members of the company”. If an expert were to conclude that a proposal was “fair and reasonable” if it was in the form of a takeover bid, it will also conclude that the proposed scheme is “in the best interests of the members of the company”.

Pursuant to RG111, an offer is “fair” if the value of the offer price or consideration is equal to or greater than the value of the securities that are subject of the offer. A comparison must be made assuming 100% ownership of the target company.

RG111 considers an offer to be “reasonable” if it is fair. An offer may also be reasonable if, despite not being “fair” but after considering other significant factors, shareholders should accept the offer in the absence of any higher bid before the close of the offer.



In our opinion, the most appropriate way to evaluate the fairness of the Scheme is to compare the fair market value of Swick on a control basis with the market value of the Scheme Consideration (i.e. shares in the Merged Entity) on a minority basis.

In considering whether the Scheme is in the best interests of Swick Shareholders, we have considered a number of factors, including:

- Whether the Scheme is fair.
- The implications to Swick Shareholders if the Scheme is not implemented.
- Other likely advantages and disadvantages associated with the Scheme.
- Other costs and risks associated with the Scheme that could potentially affect Swick Shareholders.

2.3 Independence

Prior to accepting this engagement, Grant Thornton Corporate Finance (a 100% subsidiary of Grant Thornton Australia Limited) considered its independence with respect to the Scheme with reference to RG 112 issued by ASIC.

Grant Thornton Corporate Finance has no involvement with, or interest in, the outcome of the approval of the Scheme other than that of an independent expert. Grant Thornton Corporate Finance is entitled to receive a fee based on commercial rates and including reimbursement of out-of-pocket expenses for the preparation of this report.

Except for these fees, Grant Thornton Corporate Finance will not be entitled to any other pecuniary or other benefit, whether direct or indirect, in connection with the issuing of this report. The payment of this fee is in no way contingent upon the success implementation of the Scheme.

In our opinion, Grant Thornton Corporate Finance is independent of Swick and its Directors and all other relevant parties of the Scheme.

Compliance with APES 225 Valuation Services

This report has been prepared in accordance with the requirements of the professional standard APES 225 Valuation Services (“APES 225”) as issued by the Accounting Professional & Ethical Standards Board. In accordance with the requirements of APES 225, we advise that this assignment is a Valuation Engagement as defined by that standard as follows:

“An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Member is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Member at that time.”

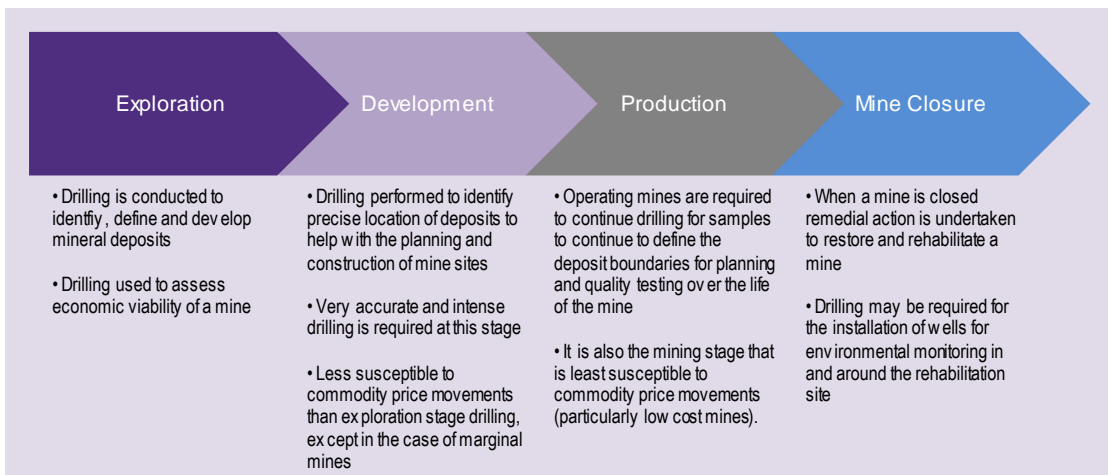
3 Industry overview

3.1 Introduction

The drilling sector includes onshore and offshore drilling, as well as surface and underground drilling. Drilling services are used across a variety of industries including mining, water, energy, infrastructure and agriculture industries.

In relation to the mining sector, drilling services are used in oil and gas and mineral exploration and production (including coal). Drilling services are required across all stages of a mine’s life including exploration, development, production and mine closure as outlined below:

Life of mine stages and drilling requirements



Source: DDH1 Prospectus, GTCF analysis

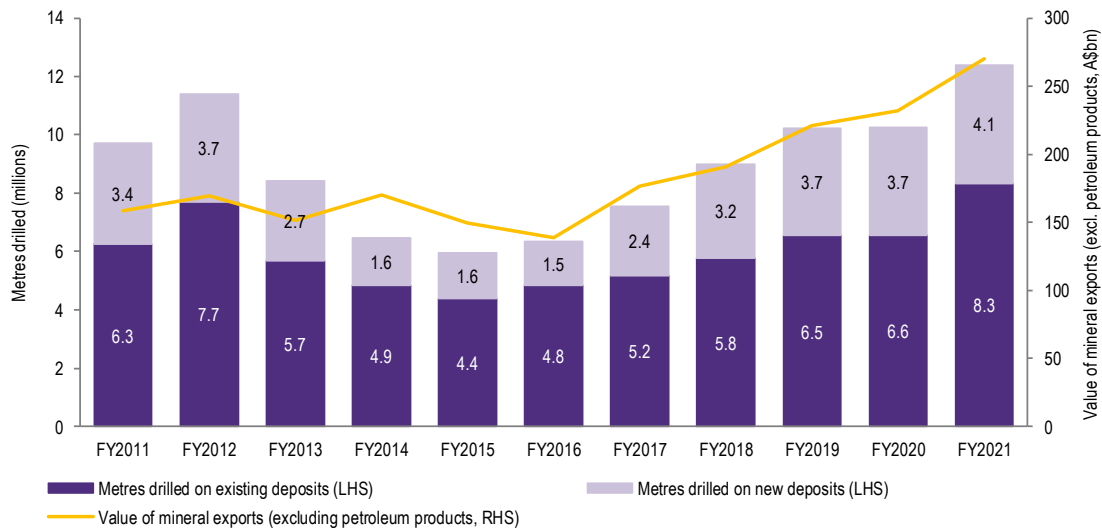
3.2 Overview of the drilling industry

Globally, the drilling industry generated revenues of A\$2.5 billion in 2019 and this is forecast to reach A\$4.4 billion by 2030¹⁵, with growth expected to be driven by the global economic recovery and increasing commodity prices following the COVID-19 pandemic. Furthermore, mining companies globally have reduced exploration expenditure during the pandemic and will be required to undertake catch-up drilling activities to offset the depletion of existing reserves.

The industry is highly fragmented and consists of a number of smaller private operators, listed pure-play drillers, and vertically integrated mining and mining service providers with drilling segments. In Australia, demand for drilling services is highly correlated with mineral exports as outlined in the graph below:

¹⁵ Research and Markets, Mining and Drilling Services Market by Mining Type: Global Opportunity Analysis and Industry Forecast, 2020-2030

Annual metres drilled by deposit type in Australia



Source: Office of the Chief Economist, Resources and Energy Quarterly, September 2020, Historical Data, Table 17. Department of Industry, Innovation and Science; and ABS, 8412.0 Mineral and Petroleum Exploration, Australia, June 2020. Table 2. Mineral Exploration, (Other than for petroleum) – Expenditure and metres drilled.

There are a number of drilling methods employed by operators in the minerals exploration and mining industry. Each has different characteristics and applications. We provide an overview of the most common methods below:

Common drilling methods and their characteristics	Drilling Methods				
	Diamond core	Reverse circulation	Hydraulic rotary	Rotary air blast	Air core
Ground conditions	Hard and soft rock formations	Hard and soft rock formations	Hard and soft rock formations	Hard and soft rock formations	Soft rock formations
Mine life cycle	All stages	All stages	All stages	Mostly exploration	Mostly exploration
Maximum hole depth	Up to 3,000 metres	Up to 500 metres	Up to tens of kilometres	up to 50 metres	Up to 200 metres
Relative rate of progress	Slow	Medium	Fast	Fast	Fast
Sample type	Cylindrical rock core	Rock chips	Rock cuttings	Rock chips	Rock chips
Method	Continuous solid rock core sample is retrieved using rotary diamond impregnated drill bit	Pneumatic hammer is used to pulverise rock into small chip samples. Compressed air transfers rock chip samples to the surface through the centre of the drill pipe	Uses a rotating drill bit at the bottom of the hole. In addition to rotation, downward pressure must be exerted and continued as the bit cuts its way through the formation.	Uses a piston driven "hammer" bit into the rock that are lifted to the surface by compressed air	Tungsten blades used to bore into the ground. Compressed air transfers rock chip samples to the surface through the centre of the drill pipe

Source: GTCF analysis, IBIS World - Oil and Mineral Exploration Drilling in Australia, DDH1 Prospectus

Diamond core drilling - involves extracting core rock samples from various depths using a rotary drill with a diamond drill bit attached to produce a cylindrical solid rock core sample. The technique can be applied to both surface and underground drilling and is typically employed where precise holes are required as cutting is more accurate. It is used throughout a mine life cycle however it is employed more during the development phase as diamond core samples provide a more detailed understanding than air core or



reverse circulation samples. It is also able to drill deeper holes of up to 3,000 metres. Directional diamond drilling is a more advanced technique that can also be employed and it involves highly technical directional drilling methods that enable borehole deviation to drill numerous branch holes from a single pilot hole. This can save significant time and money on a drill program. The equipment is light and highly portable, making it advantageous in situations where space is limited¹⁶.

Reverse circulation drilling - uses a pneumatic hammer to pulverise rock into chips which are then transferred to the surface by compressed air through the centre of the drill pipe. As the rock samples are broken into chips, it does not allow for as detailed analysis as diamond core drilling, however, it is faster and lower cost than diamond core drilling. Accordingly, it is primarily used for surface mineral exploration and grade control analysis used to define ore grades and ore boundaries for mine planning.

Hydraulic rotary drilling - is most commonly used for oil and gas exploration projects. Hydraulic rotary drills consist of a three-cone roller and fixed cutter diamond bits that rotate and can penetrate even the hardest of rock. Although it is rougher than other forms of drilling, returning intact samples is less important for oil and gas drilling compared to mineral exploration, where samples must be undamaged.

Rotary air blast drilling - is used for mineral exploration due to its low cost and high speed compared with diamond core drilling. However the quality of the samples is inferior to diamond core drilling as the rock chips are blasted by compressed air to the surface along the outside of drilling rods.

Air core drilling - is a type of reverse-circulation drilling that uses three steel or tungsten blades. The drill cuttings are removed by injection of compressed air into the hole. It is relatively inexpensive and is often used in first pass exploration drill programs. It has a relatively limited depth and cannot be used to penetrate fresh rock but is ideal for soft clay materials.

3.3 Key Industry Drivers and Trends

3.3.1 Commodity prices

Demand for mineral drilling services is also influenced by commodity prices. Mining companies are incentivised to explore for new resources and increase production when prices are higher. In the case of Swick and DDH1, the demand, supply and outlook for gold, copper, iron ore¹⁷ are likely to be key drivers influencing the demand for their services going forward.

3.3.1.1 Gold

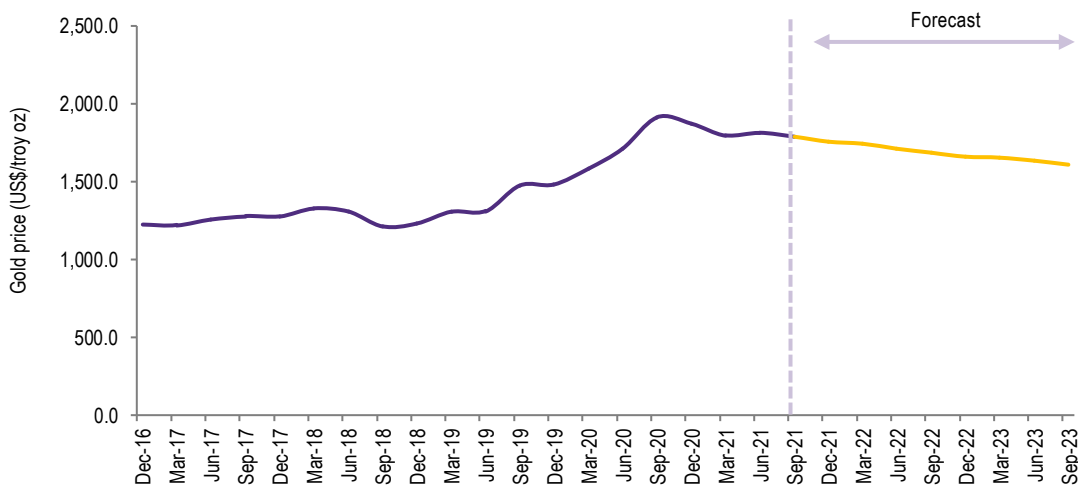
Precious metals, which include gold, platinum and silver, are considered to be rare and typically have a high economic value associated with them. Gold in particular is considered a safe haven investment in times of economic uncertainty, with the gold price and demand typically possessing an inverse relationship with the equities market. Circa 60% of the Merged Group revenue is expected to be derived from drilling services provided for gold assets, we have discussed below the historical and forecast prices for gold.

¹⁶ Transparency Market Research, Exploration Diamond Drilling Market - Global Industry Trends and Forecast 2017 – 2025

¹⁷ Being the three key metals and commodities that Swick and DDH1 are currently exposed to.



Historical and forecast gold prices



Source: GTCF analysis, S&P Global, Energy and Metal Consensus Forecasts, October 2021

Over the last 5 years, the gold price has risen consistently, as investors have sought to reduce risk amid rising uncertainty in global equity markets. Specific market shocks, such as the Brexit vote in 2016, the Black Monday sell-off of Chinese equities in 2017, trade tensions between the US and China, continued geopolitical tensions in the Middle East and Indo-Pacific regions, and the COVID-19 pandemic have all driven the gold price higher in the historical period due to investors allocating greater capital towards safe monetary assets.

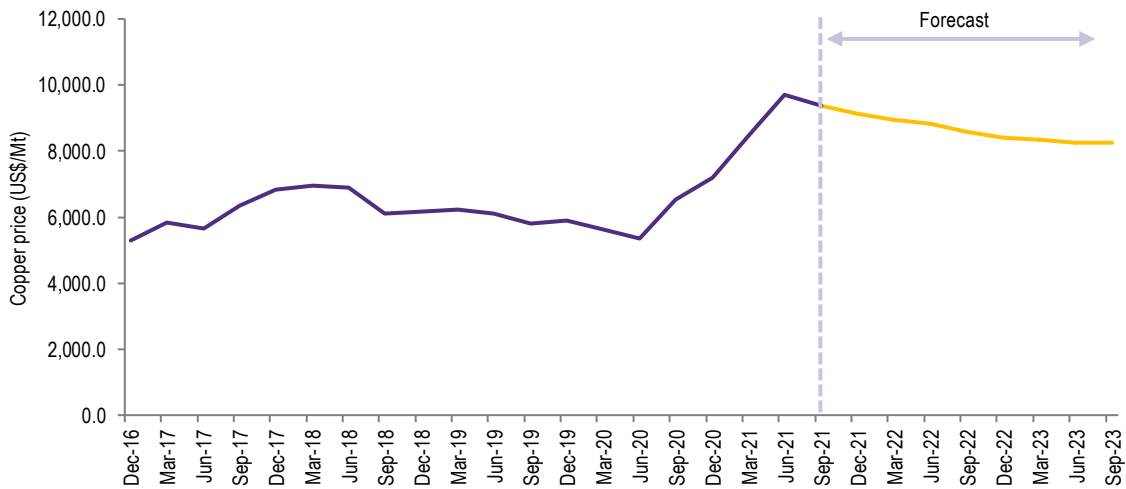
This increased demand culminated in the gold price reaching a high of US\$1,911/oz in the September 2020 quarter, before reducing to US\$1,798 in the March 2021 quarter, as the successful rollout of COVID-19 vaccines and global economic recovery undermined some of gold’s appeal to institutional and retail investors. However, during the June and September 2021 quarters gold prices rose again to above the US\$1,800/oz mark, as renewed waves of COVID-19 infections, uneven vaccine rollout across parts of the world, and relatively low interest rates in the US helped fuel global demand. Looking forward, gold prices are expected to soften to US\$1,634/oz in 2023, driven by the anticipated recovery of the global economy and a higher interest rate environment.

3.3.1.2 Copper

Copper is a base metal with extensive industrial use. Typically, copper prices and demand are positively correlated with economic growth due to its extensive and widespread applications across a large number of sectors. We note the following price dynamics:



Historical and forecast Copper prices



Source: GTCF analysis, S&P Global, Energy and Metal Consensus Forecasts, October 2021
Note: (1) Copper prices included in the graph above are the cash official London Metal Exchange prices.

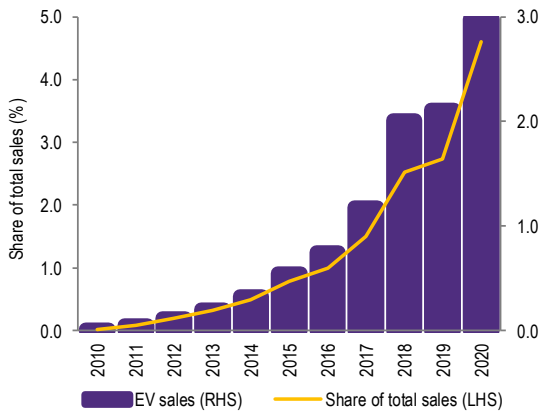
In 2017, Copper prices reached a three year high of US\$6,307 per metric tonne after successively declining for five years. This increase was driven mainly by strong growth in global industrial production, particularly from China, which accounts for c. 50% of the world’s total consumption, as well as supply disruptions at the Escondida and Grasberg mines (two of the three largest copper mines globally). The growth phased out over 2019 with the price of copper reducing by c. 8.0% in 2019.

More recently, copper prices have increased significantly, reaching a record high of US\$10,720/tonne in May 2021. The rapid increase has been driven by the expanding use of copper in low emissions technologies and batteries, increasing industrial activity in China, and the expected infrastructure rollout in the United States.

Going forward, copper is set to be a main beneficiary of the global energy transition away from fossil fuels, with usage expected to increase for electric vehicles, renewables generation, and grid storage. We note on average a battery electric vehicle contains around 83 kg of copper¹⁸ compared with an average 23 kg of copper that is typically used in an internal combustion engine vehicle. The figures below highlight the rapidly increasing adoption of electric vehicles in conjunction with coppers growing role in electric vehicle infrastructure.

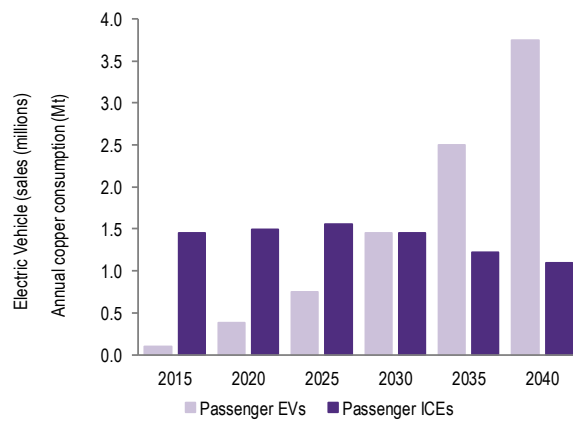
¹⁸ UBS Estimates, Copper Development Association

Electric vehicle sales



Source: International Energy Agency, World Bank
Note: EV stands for electric vehicles and includes battery electric vehicle and plug-in hybrid electric vehicles.

Copper consumption in EVs and ICE vehicles



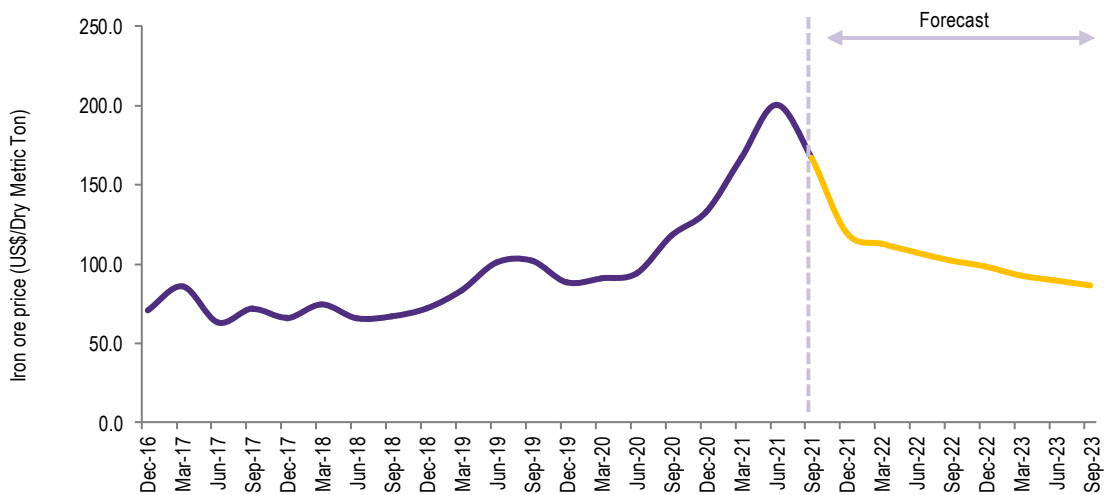
Source: Wood Mackenzie

Accordingly, prices are expected to remain at relatively strong levels for the remainder of 2021 and over the short-medium term.

3.3.1.3 Iron ore

Iron ore is the major export for Australia and it is intricately connected with Chinese industrialisation and economy. We note the following price dynamics:

Historical and forecast Iron Ore prices



Source: IndexMundi – Commodity Prices Iron Ore for historical data, Energy and Metals Consensus Forecasts, October 2021
Note: The consensus mean price for North China Fines Iron Ore has been used for forecast data.

Over the last 5 years, rising demand and fluctuating supply levels have seen a strong rise in the price of iron ore. In 2016 and 2017 demand was driven particularly from China’s subsidised steel industry, causing the price of iron ore to increase 4.6% and 22.8%¹⁹ respectively. In 2018, this growth was temporarily offset as global supply increased and demand from China was muted.

¹⁹ IBISWorld, World price of iron ore, October 2021.



Supply shocks led to a significant rise (c. 34.5%) in the price of iron ore in 2019, driven by curtailed production by Vale, one of the largest producers of iron ore in the world. Additionally, adverse weather disruptions limited production by BHP and Rio Tinto whilst demand remained strong from China.

In 2020, the price of iron ore continued its upwards trend, rising 16.1% on the back of China's 2020 stimulus plan and infrastructure investments. Simultaneously, supply was constrained, as Vale was temporarily forced to close several mines due to a severe spike in the number of COVID-19 cases. Resumption iron ore production by Vale has been slower than anticipated, which alongside a faster than expected recovery in residential construction and consumer spending in markets such as the United States, placed significant upward pressure on prices which reached US\$200/mt in the June 2021 quarter.

However, during Q3 2021, iron ore prices significantly reduced to US\$125/mt in September 2021 due to a sharp drop in steel consumption, particularly from China, and easing of supply constraints among key exporters.

Looking forward, iron ore prices are expected to continue to soften as COVID-19 related restrictions abate and construction in China continues to decline, placing downward pressure on prices.

3.3.2 Mining industry capital and exploration expenditure

Mining companies often demand a range of drilling services when seeking to expand operations and establish new projects. Accordingly, the level of capital expenditure within the mineral exploration and mining industry can positively or negatively influence industry demand for drilling services.

Capital expenditure on mining has been extremely volatile over the past decade. Historically, economic growth and urbanisation across South-East Asia, particularly China, strengthened demand for building materials and other resources. This led to an influx of investment in new mines and export facilities, with capital expenditure on mining reaching a peak in 2012-2013.

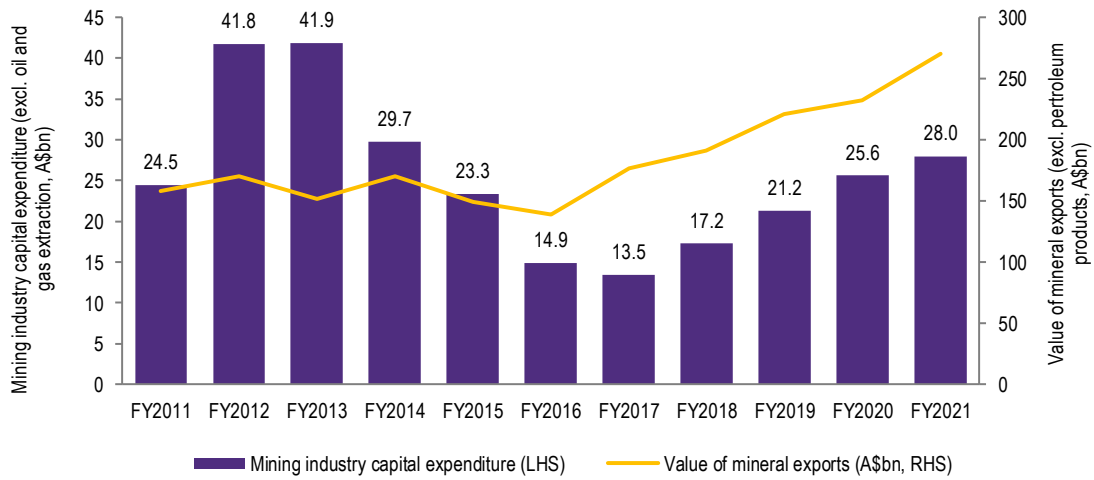
Mining capital expenditure then fell sharply to its lowest levels in 2016-17 in line with declining commodity prices and demand and the slowing of China's economy.

More recently, growth in commodity export volumes and prices have supported capital expenditure, driven in particular by robust iron ore and gold prices. We note that Australian mineral exports²⁰ totalled A\$232 billion in FY20, which represented around 49% of all exported goods and services²¹.

²⁰ Excluding petroleum products.

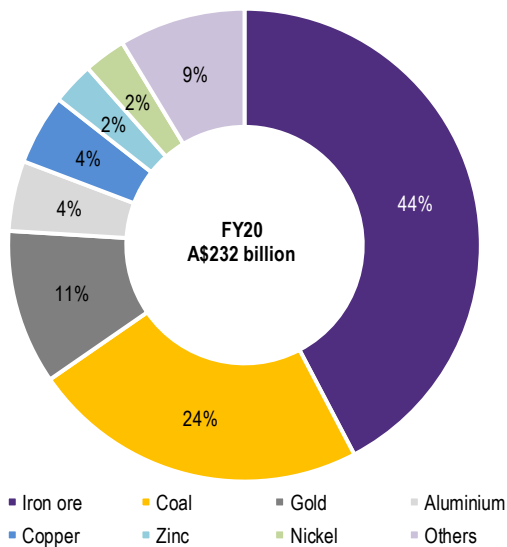
²¹ 5386.0 International Trade in Goods and Services, Australia, June 2020.

Australian mining industry capital expenditure (excluding oil and gas extraction)



Source: Office of the Chief Economist, Resources and Energy Quarterly, September 2020, Historical Data, Tables 13 and 17. Department of Industry, Innovation and Science.

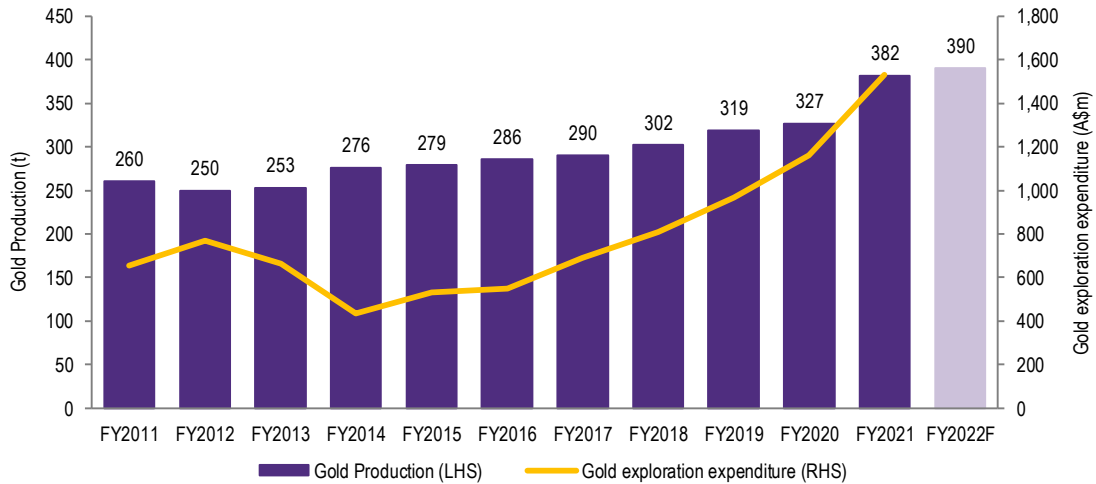
Australian mineral exports (excluding petroleum products) by value (FY20)



Source: Office of the Chief Economist, Resources and Energy Quarterly, September 2020, Historical Data, Table 17. Department of Industry, Innovation and Science.

In particular, since 2012-13 gold exploration expenditure has recovered strongly since the depth and it is expected to continue to perform strongly.

Australian gold production and exploration expenditure



Source: Office of the Chief Economist, Resources and Energy Quarterly, December 2020, Historical Data, Table 5. Department of Industry, Innovation and Science; and Office of the Chief Economist, Resources and Energy Quarterly, December 2020, Forecast Data. Department of Industry, Innovation and Science.

We note that if demand for commodities continues, this could have positive flow on effects to the mining and mineral exploration industry, suggesting further scope for growth in mining sector capital expenditure.

3.3.3 Growing importance of technology in mining

In recent years, mining companies have adopted a growing range of digital technologies and automation with COVID-19 further accelerating this trend. Many companies have mechanised their operations, such as adding equipment sensors and driverless locomotives used to transport resources from mine to port. We note BHP recently announced an US\$800m program to add 500 autonomous trucks in iron ore and coal mines in Australia.

The CSIRO's METS²² – A Roadmap to unlocking future growth opportunities in Australia discusses some new technologies that are likely to create value for exploration companies. Examples include real-time sensing and drilling technologies and decision support platforms that are likely to permit exploration companies to create value from existing exploration expenditure. More recently, in October 2021, the CSIRO launched a new drill core research facility, the Geoscience Drill Core Research Laboratory, to support mineral discovery and the METS sector in Australia.

3.3.4 ESG and government policy

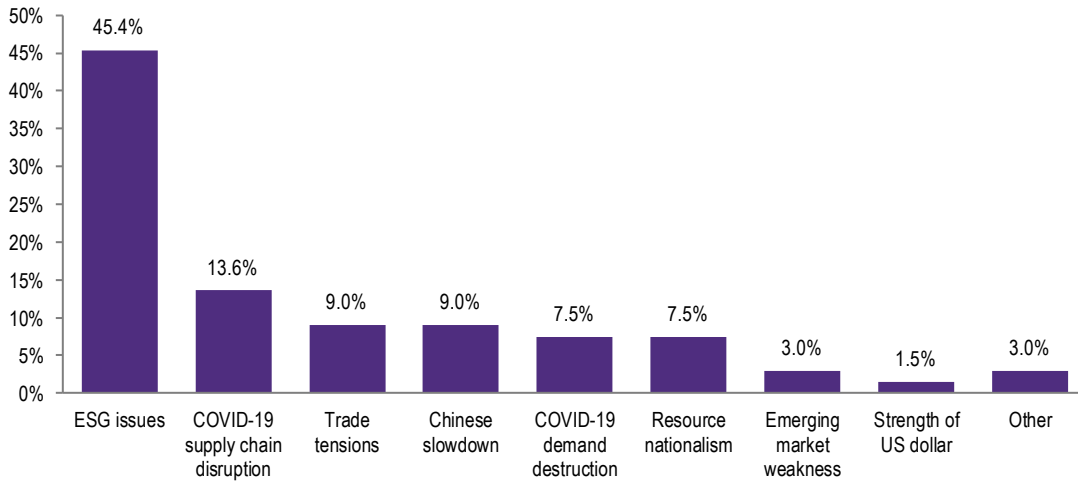
Mining and drilling activities are inherently disturbing to the land and environment, and can often cause climate change impacts such as greenhouse gas emissions and water disturbances. In recent years, ESG has been a growing discussion point that has emerged in the industry as a top priority.

The World Bank estimates that over three billion tonnes of minerals and metals will be needed to deploy sufficient renewable power and energy storage to keep the rise in mean global temperatures to below 2 degrees Celsius above pre-industrial levels, consistent with the 2015 Paris Agreement. Additionally, in the White & Case 2021 Mining and Metals market sentiment survey, ESG issues were the dominant force,

²² Mining Equipment, Technology and Services – A Roadmap for unlocking future growth opportunities for Australia, May 2017.

taking 45.4% of the vote, further illustrating the crucial role mining projects will play in the clean energy transition.

Key risks for mining and metals in 2021



Source: White & Case 2021 Mining & Metals market sentiment survey

Accordingly, investors, communities, regulators and other stakeholders are placing greater pressures on the mining industry to manage their impact on the environment and communities in which they operate.



4 Profile of Swick

4.1 Introduction

Swick is a leading underground mineral drilling contractor headquartered in South Guildford, Western Australia. The Company specialises in underground diamond core drilling, providing drilling services to a diverse group of mining companies and across different commodities. Swick has a global presence, operating in Australia, Europe and the United States.

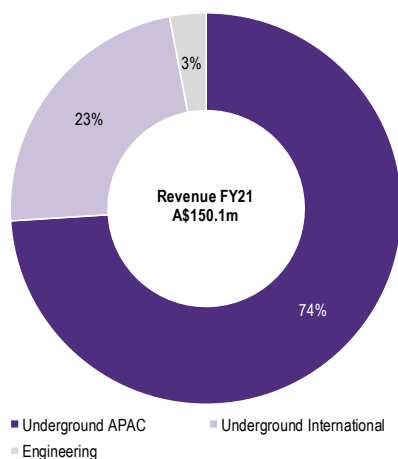
Within its underground diamond core drilling operations, Swick has established new divisions with a focus on innovative products to complement its core operations. Such divisions include DeepEX, specialising in deep exploration, and Futures, focused on developing lower carbon footprint rigs and improving safety through automation. The Company also has an in-house engineering capability, which is responsible for the manufacturing and sale of its rigs to the open market.

In FY21 Swick refocused on its core Drilling Business following the sale of its Surface Reverse Circulation (“RC”) division in February 2021, and the upcoming demerger of its Mineral Technology Business (“Orexplore”), which is expected to occur in December 2021. We note that completion of the Orexplore Demerger is a condition precedent to the Scheme. Accordingly, the Company’s overview below is prepared assuming the Orexplore Demerger has occurred.

4.2 Business divisions

Swick reports across two divisions, its Drilling Services Business, which accounted for c. 97% of FY21 pro-forma revenue, and its recently established Engineering Business, which generated c. 3% of FY21 pro-forma revenue. Revenues from overseas contracts in its Drilling Services Business accounted for approximately 23% of total group revenues in FY21 as set out in the graph below.

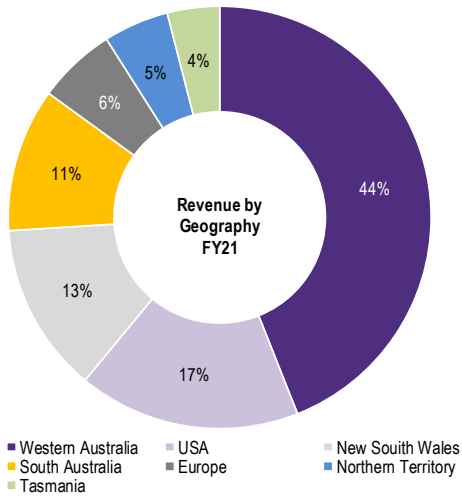
Revenue breakdown by division



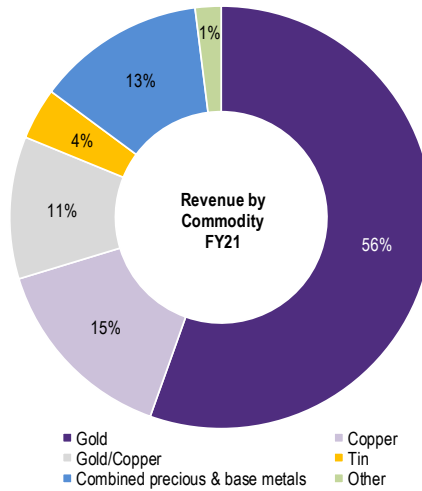
Source: DDH1 Investor Presentation released to the ASX on October 22

Despite the Company’s international footprint, c.77% of its revenue is generated in Australia, primarily Western Australia, whilst commodity exposure is concentrated towards gold and copper (c. 82%) as shown in the charts below:

Revenue breakdown by geography



Revenue breakdown by commodity

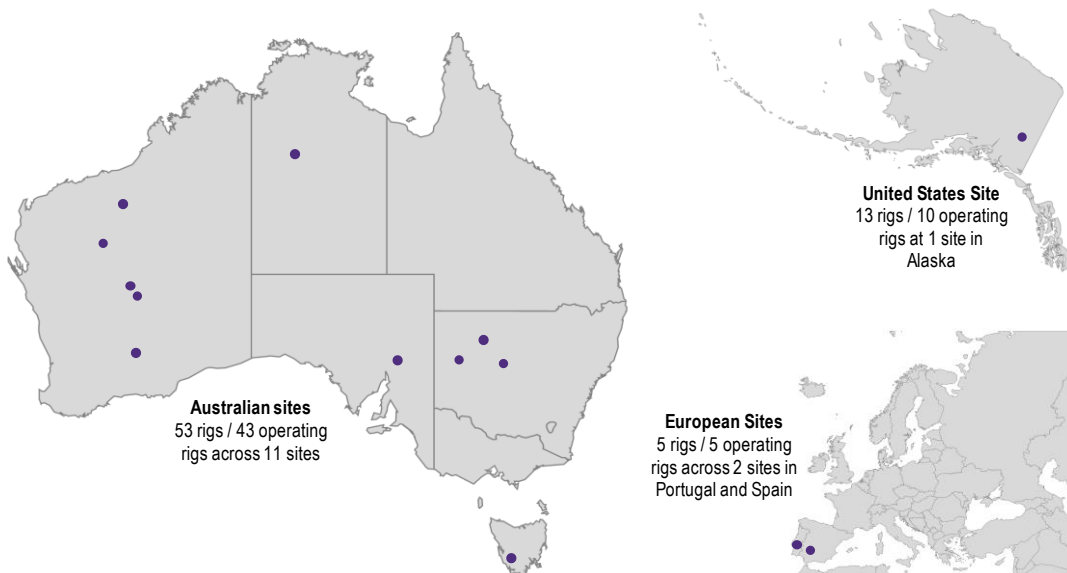


Source: DDH1 Investor Presentation, October 22

4.2.1 Underground Drilling

The Underground Drilling business primarily provides underground diamond core drilling solutions to the global mining industry. As shown in the map below, Swick currently operates a fleet of 72 rigs, of which 58²³ are currently deployed across 14 sites in Australia, Europe and the United States.

Swick operating sites



Source: DDH1 Investor Presentation

²³ DDH1 Investor Presentation, October 22, Page 13.

The Company is continuing to expand its fleet, and in FY22 expects to construct 4 GenII²⁴ rigs, whilst three DeepEX rigs will also be constructed to meet additional demand for that division. We have provided a brief overview of the differences between each rig type in the table below:

Rig fleet overview²⁵

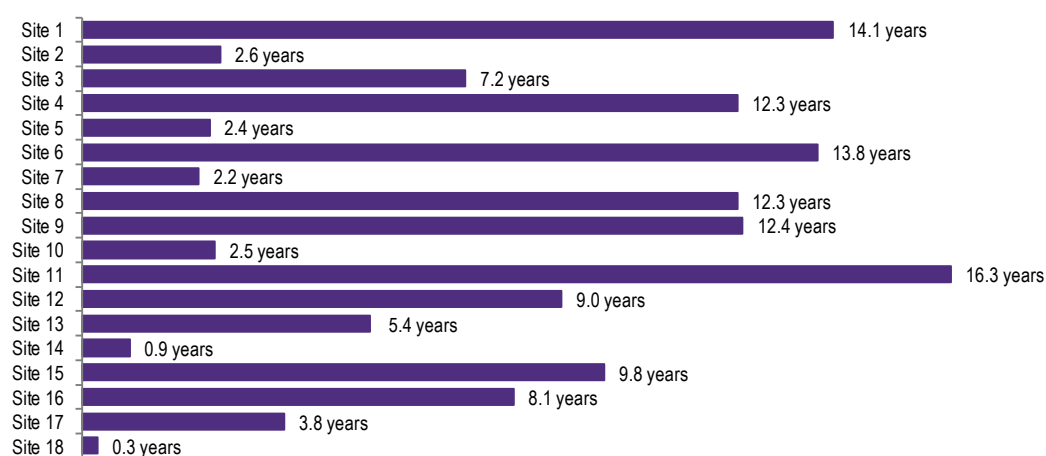
Rig Type	Mobile Drill Gen I	Mobile Drill Gen II	DeepEx Hybrid Drill	DeepEx Drill
Drilling ¹	UD grade control and reserve definition	UD grade control, reserve definition, and exploration	UD exploration, high torque, and infrastructure drilling	UD exploration, high torque, and infrastructure drilling
Section	Hard rock underground	Hard rock underground	Hard rock underground	Hard rock underground
Sites	Operating mines	Operating mines	Operating mines and exploration	Operating mines and exploration
Advantage	Small and mobile	Small and mobile	Deep drilling	Deep drilling
Power	90kW	112kW	112kW	132kW
Range ²	~1,000m NQ2	~1,500m NQ2	~2,000m NQ2	~2,000m NQ2
Fleet size	26 rigs	40 rigs	5 rigs	1 rig
Replacement value ³	A\$30.0m	A\$37.0m	A\$6.8m	A\$1.5m

Source: DDH1 Investor Presentation released on the ASX on October 22

Notes: (1) UD refers to underground; (2) NQ2 refers to the diamond core drill bit where the core diameter size is 50.5mm; (3) Replacement value is per management estimates.

Swick has significant long-term relationships with its customers, which include top tier miners such as Northern Star, BHP and Newmont. We note that Swick's revenues are underpinned by contracts, typically between 1 and 3 year, and most of its customers have utilised Swick for over 5 years. Despite the strong customer relationships, the contracts can be terminated at the customer's discretion and their convenience. In addition, contracts typically do not guarantee a minimum amount of drilling work during the term of the contract. Notwithstanding this, Swick has a strong order book of A\$284 million at the end of FY21, with c. 94% of forecast FY22 underground drilling revenues under contract. In addition, the Company has a substantial tender pipeline which could add further work to the order book. With the expected increase in rigs at work at existing contracts and work in hand, Swick expects to have an average of 62 full time equivalent ("FTE") rigs in work for the full year FY22, up from 55 rigs in FY21. The following chart provides an overview of the years Swick has spent operating at various sites.

Swick operating years on site²⁶



Source: DDH1 Investor Presentation released on the ASX on October 22. Data as at October 2021.

²⁴ The Swick GenII mobile drill rig is the Company's flagship underground drill rig which specialises in underground grade control, reserve definition and exploration drilling.

²⁵ As at 22 October 2021.

²⁶ As at October 2021.

We have provided a brief overview of some of Swick's key contracts below:

- *Northern Star* – In April 2019 the Company announced that it had won the drilling contract at the Pogo gold mine in Alaska, where it has 10 rigs currently deployed. The Pogo gold mine began production in 2006 and has gold reserves of 1.5 million ounces. Northern Star purchased the mine in 2014 from Sumitomo Corp. Additionally, in FY21, Swick renewed its contract at Northern Star's Jundee Gold operations, a Western Australian gold mine operating since 1995. This represents Swick's largest contract to date, with 14 rigs currently deployed.
- *BHP* - In FY21, Swick successfully secured one of its largest projects, a 5-year contract to provide underground drilling services to BHP's Olympic Dam mine in South Australia. The project currently has eight rigs deployed. Olympic Dam commenced operations in 1988 and is one of the most significant deposits of copper, gold and uranium in the world. Swick has been providing drilling services to Olympic Dam since 2017.
- *Minas de Aguas Teridas SAU ("MATSA")* - Swick operates a 5-year contract with MATSA at its copper operations in Spain, with two rigs currently deployed. The mine is currently in the operational phase and is a long-life and low cost operation.

4.2.2 DeepEX

Within its Drilling Services Business, Swick also operates the DeepEX business. Launched in FY20, the DeepEX business targets work involving deep exploration drill holes in challenging ground conditions. The specialised equipment has a drilling torque that is five times greater than industry standard, with a capacity to drill exploration holes up to 3,000 metres of core. The rigs offer the ability to drill shorter length holes at a lower cost per metre and with reduced permitting than drilling from the surface. Currently, the Company has three DeepEX rigs operating, another being mobilised to work and three being built.

4.2.3 Engineering

Swick's in-house Engineering division compliments the Global Drilling services division by constructing its own mobile underground diamond rigs. Since commencing the division in 2004, Swick has constructed a total of 72 mobile rigs across its Gen I, Gen II and DeepEX rig products. More recently, given growing demand, Swick has agreed to produce its GenII mobile drill rigs for the open market, selling four in FY21 to clients in Canada and Tanzania. In FY22, Swick is targeting the production of 8 to 12 rigs for external sales, with current rig build capacity of 22 per annum.

4.2.4 Futures Department

As the mining industry moves towards ESG solutions with the majority of mining companies now prioritising decarbonisation as part of their strategy, Swick has established a 'Future of Drilling' ("Futures") department.

The Futures Department was launched in 2021 with a focus on sustainability and innovation through lowering the carbon footprint of drilling services and improving safety through automation. The department is independent of the Engineering business, with its own resources and capital allocation, and will be housed in independent facilities nearby the Swick headquarters. Futures intends to prioritise two initial service offerings being:

- Gen3 E-Rig (“E-Rig”): the E-Rig will remove all diesel power and a large proportion of the hydraulic components currently required on the Swick GenII drill rig, making it the first fully electric mobile diamond drill in the global market. The E-Rig has the capacity to reduce power consumption per metre drilled by around 50%, which translates to lowering the carbon footprint of underground core drilling by the same amount. We note the final design specification is expected by the end of FY22 in which Futures will hand over the design to Swick Engineering to commence mass production for Swick’s drilling clients.
- Remote Control Drilling (“RCD”): the RCD system enables drillers to perform automated drilling through video linked controls from the surface. This has the potential to improve productivity and efficiency, with an average of four unproductive hours per day available to be converted to drilling time. In addition to increasing drill time, the system will also reduce the exposure of drilling personnel to high temperatures and hazardous drilling conditions as mines get deeper and hotter. The RCD system is expected to be available in late FY23.

4.3 Financial Information

4.3.1 Financial Performance

The table below illustrates the Company’s audited consolidated statements of profit and loss for the last three financial years. For consistency purposes, we have separately presented the Oreplore business to be spun out before the end of the year, and have included in the Drilling Business the discontinued operations for the RC Drilling business which was sold in February FY21.

Financial Performance	Drilling Business			Mineral Tech			Drilling Business			Mineral Tech		
	& Other Segment			Business			& Other Segment			Business		
A\$ millions	FY19	FY19	Group	FY20	FY20	Group	FY21	FY21	Group	FY21	FY21	
Revenue	142.6	0.0	142.6	149.4	0.3	149.6	154.1	0.03	154.2			
EBITDA	28.8²	(3.3)	25.5	25.5	(4.5)	21.0	30.4	(4.3)	26.0			
<i>EBITDA margin</i>	<i>20%</i>	<i>Na</i>	<i>17.9%</i>	<i>16.9%</i>	<i>Na</i>	<i>14.0%</i>	<i>19.7%</i>	<i>Na</i>	<i>16.9%</i>			
EBIT	9.8²	(5.3)	4.6	4.2	(7.0)	(2.8)	15.1	(5.9)	9.2			
<i>EBIT margin</i>	<i>6.9%</i>	<i>Na</i>	<i>3.2%</i>	<i>2.8%</i>	<i>Na</i>	<i>(1.8%)</i>	<i>9.8%</i>	<i>Na</i>	<i>6.0%</i>			
NPAT	Na	Na	1.0	Na	Na	(6.0)	10.0	(5.1)	4.9			
<i>Dividend (cps)</i>	<i>Na</i>	<i>Na</i>	<i>0.6</i>	<i>Na</i>	<i>Na</i>	<i>0.6</i>	<i>Na</i>	<i>Na</i>	<i>1.45</i>			

Source: Swick’s annual reports

Notes: (1) FY19, FY20 and FY21 financials include results from the discontinued Reverse Circulation business; (2) Includes drilling services and other segment.

In relation to the above, we note the following:

- Drilling revenues increased in FY21 primarily as a result of the sale of rigs and rig parts for the first time externally to customers through Swick’s in-house Engineering Division and improved market conditions with increased rigs utilisation. In the first six months of operations, the Engineering Division sold four mobile rigs and spare rig parts to customers in Canada and Tanzania. The Engineering Division reported revenues of c. A\$4.7 million and EBITDA of c. A\$0.6 million in its first year of operation. The revenue from the discontinued RC drilling business were A\$5.0 in FY19, A\$6.4 million in FY20 and A\$4.0 million for FY21 (until February 2021).
- Whilst the business managed well the challenges from COVID-19 in FY21, in FY20 Swick experienced relatively significant operational headwinds as a result of various state and local government restrictions which affected all areas of operations. Notable impacts included temporary rig suspensions by clients culminating in six rigs across client sites being suspended from March 2020,

and travel restrictions on employees which resulted in a reduction of total shifts worked to the lowest level since 2016. However, we note that all suspended rigs were back at work by year end and volume of rig shifts worked increased by 4% over FY21.

- Raw materials and consumables used increased in FY21, reflecting the change in the estimated useful lives of drill rods to less than a year. Accordingly, for 2021 drill rods expense was recognised in the statement of profit or loss, as opposed to being capitalised in the statement of financial position in prior years.
- The Company received Government grant for the Orexplore business totalling c. A\$0.5 million in FY21.
- EBITDA and EBIT improved materially in FY21 driven by the improved productivity performance of the key Pogo contract in Alaska and higher rigs utilisation. FY21 EBITDA includes pro-rata contribution from the RC Drilling business of c. A\$1 million whereas the impact in FY20 was a substantial break-even.
- Depreciation of property plant and equipment decreased by c. A\$5.8 million in FY21, driven primarily as a result of the change in accounting policy to expense rods as consumables expense instead of being accounted as assets and depreciated over two years. Depreciation of right-of-use-assets stayed broadly in line in with FY20. We note that the above accounts do not reflect Swick's new FY22 depreciation policy, whereby the useful lives of underground rigs will be extended from the current 5.5 years to 7.5 years from FY22 onwards. Reflecting this change, pro forma depreciation expense for FY21 would be A\$2.1 million lower than reported, which in turn would result in Drilling Business Pro Forma EBIT of A\$17.2 million as opposed to the reported A\$15.1 million in FY21²⁷.
- Other expenses incurred by the business in relation to accommodation and travel, repairs and maintenance, administration, and insurance reduced in FY21 due to some of the constraints from COVID-19 lockdowns.
- In FY21, the Company realised net profit from discontinued operations of A\$0.8 million in relation to the sale of the RC Drilling business to K-Drill Pty Ltd and their related entities ("K-Drill"), completed on the 5 February 2021.
- We note the FY21 figures outlined above include the financial contributions of the Orexplore business which SWK plans to demerge in December 2021. Orexplore contributed negative EBITDA and EBIT of A\$4.3 million and A\$5.8 million respectively in FY21.

4.3.2 Financial Position

The table below illustrates the Company's audited consolidated statements of financial position as at 30 June 2020 and 30 June 2021 and the pro-forma financial statement as at 30 June 2021 after the Demerger.

²⁷ This includes the effect on the discontinued operations of the RC business

Consolidated statements of financial position	30-Jun-20	30-Jun-21	30-Jun-21	30-Jun-21
A\$'000s	Audited	Audited	Less: Orexplre ¹	Pro-Forma
Assets				
Cash	12,556	15,108	(12,414)	2,694
Restricted cash	173			
Trade and other receivables	16,216	23,239	(483)	22,756
Inventories	19,280	21,682	(1,313)	20,369
Prepayments	1,609	2,496	(118)	2,378
Total current assets	49,834	62,525	(14,328)	48,197
Property, plant and equipment	74,420	61,790	(1,901)	59,889
Intangible assets	12,151	12,609	(6,068)	6,541
Deferred tax assets			(7)	(7)
Financial asset classified as FVOCI	1,815	1,815		1,815
Right-of-use assets	9,714	8,285	(695)	7,590
Total non-current assets	98,100	84,499	(8,671)	75,828
Total assets	147,934	147,024	(22,999)	124,025
Liabilities				
Trade and other payables	13,402	18,788	(595)	18,193
Current tax liability	280	1,717		1,717
Deferred revenue	173			
Borrowings and lease liabilities	2,471	2,485	(412)	2,073
Provisions	5,683	6,144	(93)	6,051
Total current liabilities	22,009	29,134	(1,100)	28,034
Borrowings and lease liabilities	30,068	23,998	(356)	23,642
Provisions	413	411		411
Deferred tax liabilities	3,081	3,721		3,721
Total non-current liabilities	33,562	28,130	(356)	27,774
Total liabilities	55,571	57,264	(1,456)	55,808
Net assets	92,363	89,760	(21,543)	68,217

Source: Swick annual reports.

Note (1): The Orexplre Pro-Forma adjustments have been obtained from the Orexplre Prospectus.

We note the following regarding the Company's financial position:

- Increase in trade and other receivables in FY21 is primarily driven by the timing of receivables given a noted increase in the volume of work with tier one clients.
- Inventory went up to allow for long lead rig parts to ensure that new rigs for Swick's Drilling Business or for Engineering sales can be assembled quickly. This provides the business with a strong competitive advantage. Similarly, in FY20, working capital investment increased by A\$8.0 million, predominately due to an increase in inventory holdings and advanced purchases of drilling consumables in order to mitigate supply chain logistics risks brought about by COVID-19.
- Property, Plant and Equipment decreased in FY21, mainly driven by the transfer of equipment, including sales related to the RC drilling business which was sold to K-Drill.
- Intangible assets are distinguished between the Drilling Services business and Orexplre. In the Drilling Services business, intangible assets relate to development work on projects that can improve

drill rig efficiency, productivity, safety and reliability, whilst intangible assets in Orexplare relate to development undertaken on Swick's mineral scanning technology and machines.

- Financial assets classified as Fair Value through Other Comprehensive Income ("FVOCI") relates to an investment in an unlisted property trust that is not traded in an active market but is classified as a FVOCI equity investment.
- Trade and other payables increased by c. A\$5.4 million, as a result of extending the credit terms with some of the key suppliers.
- With regards to Orexplare, the primary assets to be transferred as part of the Demerger consist of intangible assets for A\$6.1 million which relate to the use and development of the Orexplare mineral scanning technology, property plant and equipment of A\$1.9 million and a working capital deficiency of A\$4.7 million²⁸. As part of the Demerger, SWK has committed to A\$12.0 million of seed capital to help fund the business for the first 2 years of operation which will be transferred to Orexplare immediately before completion of the Demerger.

²⁸ Trade receivables plus inventory plus prepayment less payables.

4.3.3 Cash Flow Statement

The Company's cash flow statements for the last two years are set out below.

Consolidated statements of cash flow	FY20	FY21
A\$'000s	Audited	Audited
Cash flows from operating activities		
Receipts from customers	162,622	159,981
Receipts of government grant - Mineral Technology business	283	127
Receipts of government grant - Drilling business	73	195
Payments to suppliers and employees	(150,938)	(141,536)
Income tax paid	(104)	(1,035)
Interest paid	(1,531)	(1,201)
Net cash inflow from operating activities	10,405	16,531
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	74	1,293
Purchase of property, plant and equipment	(11,750)	(5,994)
Payments for development costs	(1,887)	(1,564)
Investment income	136	150
Proceeds from sale of discontinued operations		5,300
Net cash outflow from investing activities	(13,427)	(815)
Cash flow from financing activities		
Proceeds from borrowings	16,000	-
Repayment of borrowings	(25,255)	(7,747)
Proceeds from issue capital	16,890	-
Transaction cost on share issue	(818)	-
Share buy back payment	(348)	(3,192)
Transaction cost on share buy back	(1)	(8)
Dividends paid by parent entity	(2,303)	(2,208)
Purchase of own shares	(60)	(108)
Net cash (outflow)/inflow from financing activities	4,105	(13,263)
Net increase / (decrease) in cash and cash equivalents	1,083	2,453
Cash and cash equivalents at the beginning of the financial year	11,553	12,729
Effects of exchange rate changes on cash and cash equivalents	93	(74)
Cash and cash equivalents at year end	12,729	15,108

Source: Swick annual reports

We note the following in relation to Swick's cash flow statements:

- Purchase of property, plant and equipment declined in FY21 as capital expenditure decreased by A\$6.1 million. Growth capital expenditure in FY21 of A\$2.8 million included ongoing spend on three DeepEX rig builds, roll-out of other R&D initiatives such as the tube roller and kelly rod handler and A\$1.3 million spend on Orexplore equipment. Spend in sustaining capital expenditure also reduced from A\$8.9 million in FY20 to A\$4.8 million which is the result of rods being accounted for as consumables expense rather than as capital expenditure, as well as reduced spend on rig rebuilds due to rigs lasting longer on field before requiring rebuilds.



- Proceeds from the sale of discontinued operations relates to the sale of the RC drilling business to K-Drill. The sale was completed on 5 February 2021 for A\$5.3 million, resulting in a pre-tax gain of A\$772k.
- In FY21 non-current borrowings decreased primarily as a result of non-current bank loans reducing from A\$20.0 million in FY20 to A\$15.0 million. We note that during FY21, Swick renegotiated its bank facilities to a total facility value of A\$38.0 million. The A\$25.0 million facility is a variable bank bills facility that expires on 31 October 2022, of which A\$15.0 million has been drawn down.
- Proceeds from issue capital relate to the placement and Share Purchase Plan (“SPP”) announced in September 2019 to support growth. The placement raised a total of c. A\$15 million via the issue of 65,217,392 ordinary fully paid shares at A\$0.23 per share. Swick also offered eligible existing shareholders the opportunity to apply for new Swick shares through the SPP which raised gross proceeds of A\$1.89 million at the same price.
- The Company undertook a significant buyback in FY21 resulting in A\$3.2 million spent.

4.4 Share capital structure

As at the date of this report, Swick has the following securities on issue:

- 281,740,622²⁹ fully paid ordinary shares.
- 1,922,672 unlisted Performance Rights (“Swick PRs”). The Swick PRs are generally granted to senior executives with more than 12 months service. When a participant ceases employment prior to the vesting or where the performance hurdle³⁰ is not met, the performance rights lapse. Should all conditions be met, one ordinary share is issued for each performance right at no consideration.

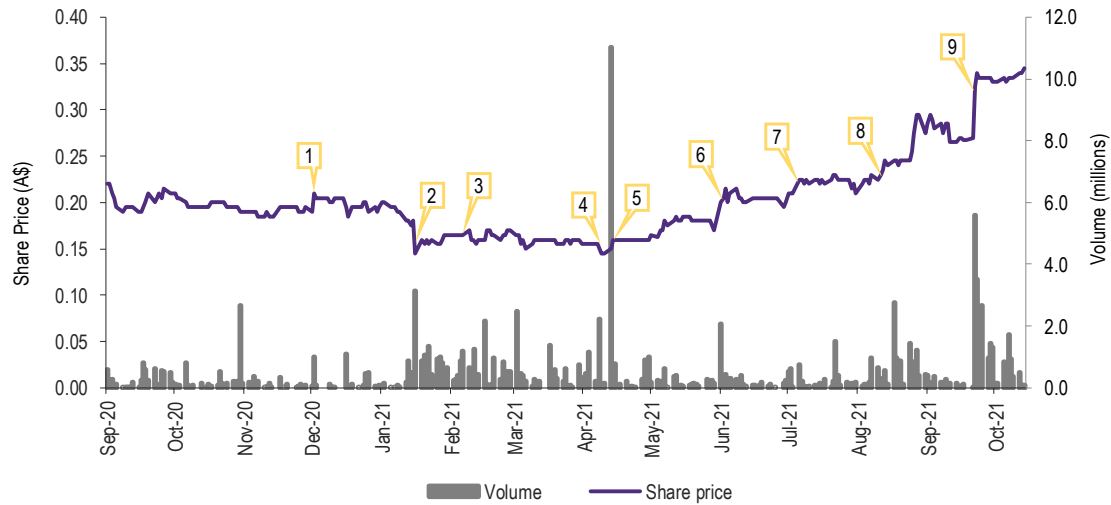
4.4.1 Share price and market analysis

Our analysis of the daily movements in Swick’s trading price and volume for the period from October 2020 to October 2021 is set out below.

²⁹ Swick Annual Report, FY21

³⁰ The performance condition is that the Swick share price is at or greater than A\$0.30 on the vesting date (30 June 2022) measured based on the last 60 days volume weighted average price.

Historical share price and volume for Swick



Source: S&P Global, GTCF analysis

The following table describes the key events which may have impacted the share price and volume movements recently as shown above.

Event	Date	Comments
1	22-Dec-20	Swick provided a company update. Highlights included: <ul style="list-style-type: none"> The sale of its Surface Reverse Circulation Drilling business to K-Drill Pty Ltd and K-Drill Equipment Pty Ltd for A\$6.4 million cash. The sale includes six surface RC rigs, associated equipment, inventory, personnel and contracts. Subsequent to the sale of the RC division, Swick's drilling revenue will be generated entirely by the Company's underground diamond drilling division. 1HFY21 unaudited Group EBITDA (excluding Orexplore) expected to be in the range of A\$11.0 to A\$12.0 million. Drilling Business (excluding Orexplore) on track to deliver 1HFY21 unaudited revenue of A\$72.0 to A\$74.0 million and EBITDA of A\$13.0 to A\$14.0 million. Demerger of Orexplore well underway with targeted launch in March 2021.
2	05-Feb-21	Swick provided an update on its demerger of Orexplore as well as a broader company update. Highlights included: <ul style="list-style-type: none"> Following discussions with the client, Swick announced that Orexplore's first infield commercial agreement will be deferred to FY22. Accordingly, the Swick Board decided to defer the demerger of Orexplore to allow greater time to seed the commercialisation pathway with initial commercial projects. In response to the 5-day COVID-19 lockdown measures announced by the WA government on Sunday 31 January 2021, Swick implemented a temporary 2-day shutdown of its maintenance workshop in Guilford and adjustments to Fly-In, Fly-Out roster shifts.
3	26-Feb-21	Swick released its 1H FY21 financial report and declared an increased dividend: <ul style="list-style-type: none"> Total group revenue of A\$72.8 million, down 9.3% vs pcp EBITDA of A\$11.8 million, up 9.3% vs pcp 61 underground diamond drill rigs deployed globally Interim dividend of 0.45 cents per share (fully franked), up 50% vs pcp
4	27-Apr-21	Swick's share buy-back announced on the 7 April 2020 expired, with a total of 23,145,082 shares have been bought back and cancelled to date, for a total consideration of A\$3.54 million, with an average price of 15.3 cents per share.
5	04-May-21	Swick announced the renewal of the Company's on-market share buyback programme. Details are as follows: <ul style="list-style-type: none"> Swick proposes to buy-back up to 10% of its issued ordinary shares (c. 28.17 million shares) during the next twelve months. The earliest date under which the Company will be permitted to buy-back any shares on market is 24 May 2021, with the buy-back being open for 12 months from that date.
6	21-Jun-21	Swick announced strong performance of its Drilling Business with unaudited FY21 expected results as follows: <ul style="list-style-type: none"> Revenue of between A\$153m to A\$156m EBITDA between A\$29m to A\$31m



		<ul style="list-style-type: none"> • EBIT between A\$14m to A\$16m <p>Swick also announced the establishment of its Futures department which will prioritise two key projects:</p> <ul style="list-style-type: none"> • Gen3 E-Rig with capacity to reduce power consumption per metre drilled by around 50%. • Remote Control Drilling system which will enable drillers to perform automated drilling through video linked controls from the surface. <p>Additionally, Swick announced an Orexplore demerger update:</p> <ul style="list-style-type: none"> • Mr Brett Giroud appointed Managing Director of Orexplore Technologies Ltd. • Demerger to recommence with a commitment to be completed by end of calendar year 2021.
7	26-Jul-21	Swick announces increased final dividend of 1.0 cents per share (fully franked), which brings the full year FY21 dividend to 1.45 cents per share (fully franked), up 142% vs FY20.
8	30-Aug-21	Swick released its full year results for FY21. Highlights include: <ul style="list-style-type: none"> • Drilling Business revenue of A\$154.1m, up 3.2% vs pcp • Drilling Business EBITDA of A\$30.4m, up 19.1% vs pcp • Drilling Business EBIT of A\$15.1m, up 260% vs pcp • Group level EBITDA of A\$26.0m, EBIT of A\$9.2m and PBT of A\$8.0m • Cash on hand of A\$15.1m and low net debt of A\$2.6m
9	12-Oct-21	Swick announced a non-binding agreement for DDH1 Limited to acquire Swick for A\$115m enterprise value. The consideration for Swick shares will be 100% DDH1 shares at a ratio of 0.2970 DDH1 shares for each Swick share, equating to A\$0.35 per Swick share. In addition Swick shareholders will also receive Orexplore shares under the proposed (A\$12m seed funded) Orexplore demerger. Swick shareholders will own 19.7% of the combined business.

Source: ASX announcements, GTCF analysis

The monthly share price performance of Swick since October 2020 and the weekly share price performance of Swick over the last 16 weeks is summarised below:

Swick Mining Services Limited	Share Price			Average
	High	Low	Close	weekly volume
	\$	\$	\$	000'
Month ended				
Oct 2020	0.215	0.185	0.195	1,322
Nov 2020	0.200	0.185	0.185	1,283
Dec 2020	0.210	0.185	0.205	489
Jan 2021	0.210	0.180	0.190	698
Feb 2021	0.195	0.130	0.165	3,875
Mar 2021	0.170	0.150	0.160	2,848
Apr 2021	0.165	0.145	0.145	1,985
May 2021	0.180	0.150	0.180	3,917
Jun 2021	0.220	0.165	0.205	1,356
Jul 2021	0.225	0.195	0.220	759
Aug 2021	0.230	0.210	0.230	1,253
Sep 2021	0.295	0.225	0.285	2,832
Oct 2021	0.340	0.265	0.335	5,204
Week ended				
16 Jul 2021	0.210	0.205	0.205	172
23 Jul 2021	0.215	0.195	0.210	1,557
30 Jul 2021	0.225	0.220	0.220	1,043
6 Aug 2021	0.225	0.220	0.220	485
13 Aug 2021	0.230	0.220	0.225	2,174
20 Aug 2021	0.225	0.210	0.210	703
27 Aug 2021	0.230	0.210	0.230	1,343
3 Sep 2021	0.245	0.225	0.240	1,764
10 Sep 2021	0.255	0.225	0.245	5,297
17 Sep 2021	0.295	0.245	0.295	4,168
24 Sep 2021	0.295	0.260	0.280	1,388
1 Oct 2021	0.285	0.265	0.265	790
8 Oct 2021	0.275	0.265	0.268	361
15 Oct 2021	0.340	0.270	0.335	13,000
22 Oct 2021	0.340	0.330	0.330	3,985
29 Oct 2021	0.340	0.330	0.335	4,370

Source: S&P Global, GTCF analysis

Note: The share price analysis is based on 3 November 2021.

We have also considered Swick's recent trading prices for the purpose of our valuation of Swick. Refer to Section 8.2 for further details and analysis on the trading price of the Company.

4.4.2 Substantial shareholders

We have provided in the below table the twenty largest shareholders of Swick as at 23 August 2021:

Top 20 shareholders as at 23 August 2021			
Rank	Name	No. of shares	Interest (%)
1	National Nominees Limited	62,336,767	22.1%
2	Circle 5 Management Pty Ltd	23,336,171	8.3%
3	Kent Jason Swick	13,182,410	4.7%
4	Tanya Michelle Swick	13,182,410	4.7%
5	Bond Street Custodians Limited	12,000,000	4.3%
6	Zero Nominees Pty Ltd	12,000,000	4.3%
7	JP Morgan Nominees Australia Pty Ltd	7,890,505	2.8%
8	Rosanne Thelma Swick	6,974,524	2.5%
9	Kent Swick & Tanya Swick	5,879,132	2.1%
10	UBS Nominees Pty Ltd	5,652,174	2.0%
11	HSBC Custody Nominees (Australia) Limited	4,325,366	1.5%
12	BNP Paribas Nominees Pty Ltd	3,878,196	1.4%
13	Justin O'Neil Malouf	3,250,000	1.2%
14	Kathryn Helen Zaccaria	3,155,936	1.1%
15	Citicorp Nominees Pty Ltd	3,080,413	1.1%
16	Kenneth Joseph Hall	2,293,794	0.8%
17	Jared Lawrence & Kathryn Zaccaria	2,156,412	0.8%
18	Westferry Operations Pty Ltd	2,104,002	0.7%
19	Bond Street Custodians Limited	2,000,000	0.7%
20	BNP Paribas Noms (NZ) Limited	1,777,713	0.6%
Top 20 shareholders total		190,455,925	67.6%
Remaining shareholders		91,200,279	32.4%
Total ordinary shares outstanding		281,656,204	100.0%

Source: S&P Capital IQ, GTCF analysis

Note: The above information is as at 23 August 2021. We have updated the total number of ordinary shares outstanding to date.

The table below summarises the substantial shareholders of Swick as at 23 August 2021, including one of the Company's senior executives.

Substantial ordinary shareholders as at 23 August 2021	Number of shares	%
Perennial Value Management Limited	39,292,639	14.0%
Kent Jason Swick	33,452,616	11.9%
Castle Point Funds Management Ltd	25,917,249	9.2%
Circle 5 Management Pty Ltd	23,336,171	8.3%

Source: FY21 Annual Report

5 Profile of DDH1 Limited

5.1 Introduction

DDH1 is headquartered in Perth, Western Australia, and provides a range of specialised drilling services for exploration and mining purposes. It operates across three brands, DDH1 Drilling, Strike Drilling, and Ranger Drilling. Strike Drilling and Ranger Drilling were acquired in May 2018 and April 2019 respectively. Each of its brands serves a different target market and offer distinct equipment and drilling methods as summarised in the table below:

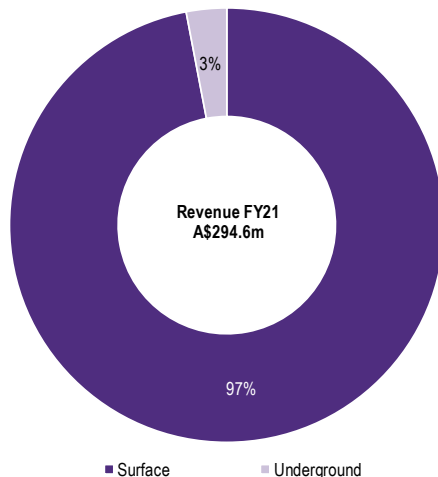
Summary of DDH1 brands and service offerings

	DDH1 Drilling	Strike Drilling	Ranger Drilling
Predominant drilling methods	Diamond Core	Air Core and Reverse Circulation	Reverse Circulation
Primary applications	All stages of mine life	Exploration	All stages of mine life
Drilling locations	Australia-wide, with WA (c. 75%) and East Coast (c. 25%)	Predominantly WA (c. 80%) and VIC / NSW (c. 20%)	WA (100%), mostly in the Pilbara region
Commodity focus	Gold, Nickel, Copper, Zinc, and other base metals	Gold, Nickel, Copper, Zinc, Lithium, and other base metals	Iron Ore
Operations	Managed from Perth and Brisbane	Managed from Perth	Managed from Perth

Source: DDH1 Prospectus

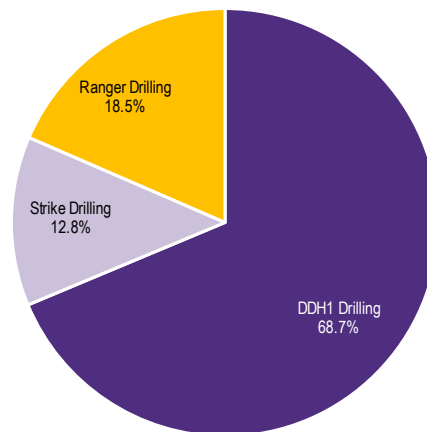
DDH1's three key brands operate relatively autonomously with the aim of ensuring that the service offerings of each individual brand are not unduly compromised through loss of specialisation. In FY21 DDH1 generated revenues of A\$294.6 million across its three brands, with c. 97% of drilling revenues generated from surface drilling.

Split of revenues by underground and surface drilling (FY21)



Source: DDH1 Results Presentation, August 2021

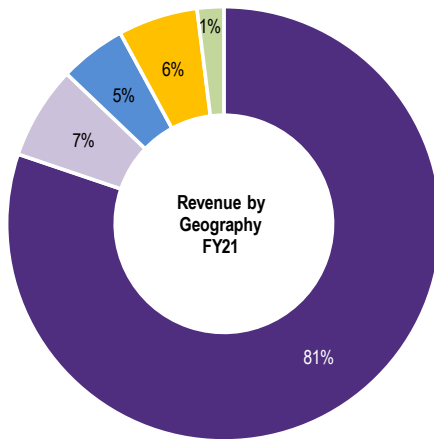
Revenue by brand (FY21)



100% of DDH1's FY21 revenue was generated in Australia, primarily Western Australia (c. 81%). Commodity exposure is concentrated towards gold (c. 63%) and iron ore (c. 19%) as shown in the charts below:

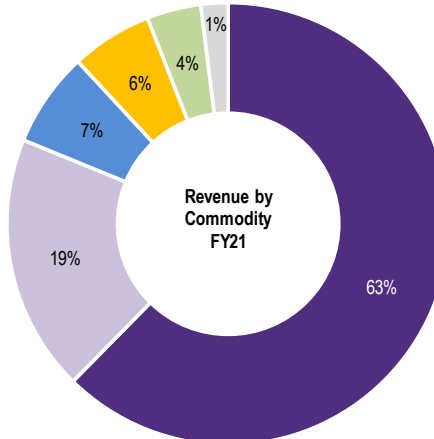


Revenue breakdown by geography (FY21)



- Western Australia
- New South Wales
- South Australia and Victoria
- Northern Territory
- Queensland

Revenue breakdown by commodity (FY21)



- Gold
- Nickel
- Other base and polymetallic
- Iron Ore
- Copper
- Other

Source: DDH1 Investor Presentation, October 22

5.2 Operating Divisions

5.2.1 DDH1 Drilling

DDH1 Drilling is a specialist Diamond Core drilling service provider, with a focus on providing highly technical exploration, mine development and production related drilling services. Such capabilities include deep directional drilling as well as multiple intersectional directional drilling.

The division currently operates a fleet of 68 multi-purpose surface and underground Diamond Core drilling rigs across Australia, which have the capability to extract rock core samples from depths of up to 3,000m.

DDH1’s deep directional drilling offers a range of unique applications, including the ability to have control over deviations in the direction, angle, and path of drilling activity. This means that drilling can be accurately steered towards a designated drill target or steered back on course if drilling deviates from the chosen path.

Additionally, directional drilling helps overcome challenges associated with the environment such as reaching a target zone of interest that is located under hard rock formation. Such an area would be inaccessible or expensive through alternative vertical surface drilling methods.

DDH1 Drilling also has the ability to conduct multiple intersectional directional drilling. This involves the drilling of a main parent hole, up to 2,000m deep, followed by multiple branch holes which come off the parent hole to depths of 3,000m.

5.2.2 Strike Drilling

Strike Drilling, acquired by DDH1 in May 2018, is a specialist Air Core and Reverse Circulation drilling service provider. Strike Drilling’s capabilities are predominantly used to conduct earlier stage exploratory drilling work. As of 30 September 2021, Strike Drilling operated a fleet of 12 drill rigs, of which 7 are dual-purpose Air Core and Reverse Circulation rigs. Such rigs offer a range of advantages over single purpose Air Core or Reverse Circulation rigs, as summarised below:

- *Enhanced safety:* Automated hands-free rod handling systems provide greater safety to drill crew relative to manual rod handling systems.
- *Greater depth capabilities:* Ability to drill up to 300m, which is around 100m deeper than conventional Air Core rigs.
- *Greater flexibility:* Dual-purpose rigs have a smaller footprint and avoid the need to swap rigs as depth increases, enabling access to smaller and more inaccessible sites.
- *Increased productivity and sample quality:* Utilisation of larger diameter 6m drill rods relative to traditional 3m drill rods enables greater air capacity, helping improve productivity and sample quality.

5.2.3 Ranger Drilling

Ranger Drilling was acquired by DDH1 in April 2019 and is a Reverse Circulation and Diamond Coring drilling service provider with a fleet of 20 drill rigs as at 30 September 2021.

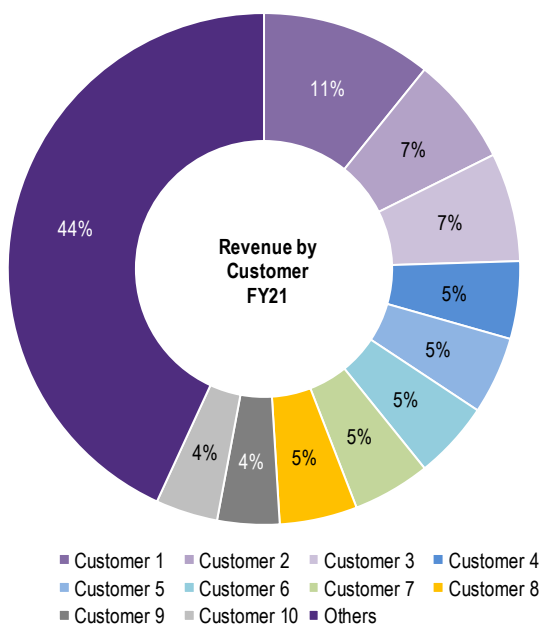
The division's services have various applications throughout the mine lifecycle, with a core end market exposure to the Western Australian iron ore industry. Ranger Drilling typically enters into long-term service agreements with customers, which are primarily established senior iron-ore mining companies.

On the back of increased client demand, the division has recently commenced Diamond Core services, with plans to increase this area of its business going forward.

5.3 Customer relationships and contract profile

DDH1 has a diverse portfolio with over 90 mineral exploration and mining clients in FY21, including Newcrest, BHP Iron Ore, Evolution Mining, Gold Fields, Independence Group, and Rio Tinto. We note that a significant proportion of DDH1's revenue is generated from repeat customers and its largest customer accounts for 11% of FY21 revenues with the top 5 customers at 35% as outlined in the graph below:

DDH1 revenue contribution per customer



Source: DDH1 FY21 Investor Presentation

DDH1 typically generates revenue by charging its customers a rate based on metres drilled, an hourly rate, chargeable recovery of certain consumables, mobilisation or demobilisation costs. Profitability is therefore a function of not only price but also productivity, which is driven by the drilling method, technology, efficiency of the equipment and skill and experience of the Company's operators. Whilst each customer has a different contract, and customer contracts can be terminated by the customer without notice, there is often a minimum shift clause which translates to a minimum revenue earned.

We note that DDH1 enters into both short term (up to 3 months), and longer term (up to 3 years) contracts with the majority generated from contracts related to mine development. DDH1 retains an exposure to exploration stage drilling particularly for large prospective discoveries which may become significant operating mines. In such cases, customers typically prefer to keep the incumbent drilling services contractor on site to continue drilling in order to minimise disruption as well as mobilisation and demobilisation costs. DDH1's full service offering of Air Core, Reverse Circulation and Diamond Core drilling services positions the Company well to provide drilling services throughout the mine life cycle.

A summary of the duration of DDH1's key customer contracts is shown in the table below:

Duration of DDH1 key customer relationships³¹

Customer	Period of contracted relationships	Contract with (DDH1 division)
BHP	6 years	Ranger Drilling, DDH1 Drilling
Evolution Mining	3 years	DDH1 Drilling
Gold Fields	11 years	DDH1 Drilling
Independence Group	5 years	DDH1 Drilling
KCGM	5 years	DDH1 Drilling
Newmont Goldcorp Austral	5 years	DDH1 Drilling
Ramelius Resources	5 years	Ranger Drilling
Rio Tinto	8 years	Ranger Drilling
Roy Hill Iron Ore	8 years	Ranger Drilling
St Barbara	10 years	DDH1 Drilling

Source: DDH1 Prospectus

5.4 Rig Fleet

In FY21 DDH1 added 8 rigs to DDH1 Drilling, 1 rig to Strike Drilling and 1 rig to Ranger Drilling to bring the total number of rigs to 98. Fleet expansion is expected to continue with DDH1 aiming to have grown its fleet to 105 drill rigs by the end of the 2021 calendar year. We have provided an overview of DDH1's rig fleet below as at 30 June 2021, noting the fleet has an average age of 6.7 years and an economic life of 20+ years.

³¹ As at 31 December 2020.

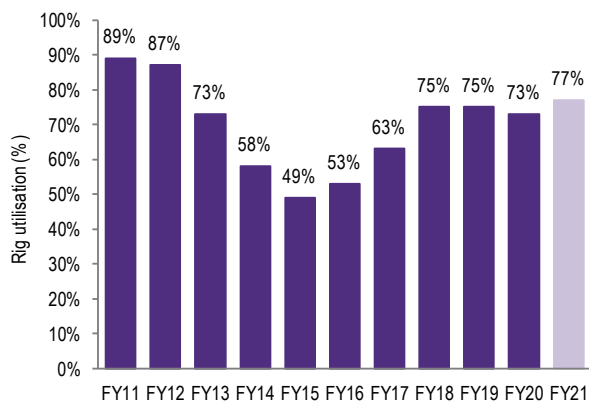
Rig fleet overview

Rig Type	Rig Model	Business Unit	Number of Rigs	Average Age (Years)
Diamond Core - high capacity surface	Sandvik DE840, DE880, Evolution 3000, UDR5000	DDH1 Drilling	45	7.0
Diamond Core - low capacity surface	Sandvik DE710, UDR650	DDH1 Drilling	9	3.2
Diamond core - underground	Boart LM90, LM75	DDH1 Drilling	10	9.2
Diamond Core - energy	Foremost 3000, WEI D755	DDH1 Drilling	2	14.0
Dual-Capability Air Core and Reverse Circulation	SchrammT450, Austex X350	Strike Drilling	8	3.3
Reverse Circulation	KWL700, Schramm 685T	Strike Drilling	4	5.8
Air Core	Austrex X350	Ranger Drilling	1	3.0
Reverse Circulation	SchrammT450, Hydco 350, DRA/RC600, Austex X350	Ranger Drilling	16	8.3
Diamond Core	LF160 Diamond	Ranger Drilling	3	2.4
Total			98	6.7

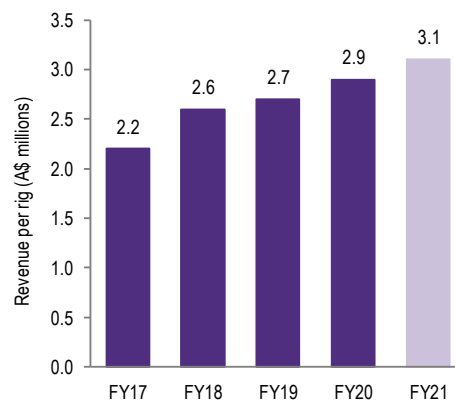
Source: DDH1 FY21 Annual Report

Alongside fleet expansion and in line with buoyant market conditions, rig utilisation reached a 9-year high of 76.6% in FY21, whilst revenue per rig also improved to A\$3.1 million.

Rig utilisation



Revenue per rig (A\$ million)



Source: DDH1 Investor Presentation released on the ASX in August 2021

5.5 Financial information

5.5.1 Financial performance

The table below illustrates the Company's audited consolidated statements of comprehensive income for the last three financial years.

Consolidated statements of financial performance	FY19	FY20	FY21
A\$	Audited	Audited	Audited
Revenue	184,220,395	249,791,573	294,606,123
Other income	2,364,014	2,284,615	4,206,448
Other gains and losses	22,968	610,122	(138,740)
Advertising expenses	(367,119)	(336,638)	(450,235)
Drilling consumables	(19,338,690)	(26,978,076)	(32,686,395)
Employee and contract labour expenses	(82,333,474)	(107,521,921)	(132,090,940)
Fuel and oil expenses	(5,719,555)	(7,228,054)	(6,456,998)
Freight and couriers	(2,436,190)	(2,875,705)	(3,909,029)
Insurance expenses	(1,777,770)	(1,990,314)	(3,123,413)
Legal and consultant expenses	(340,293)	(3,359,738)	(699,205)
Hire of plant	(6,467,516)	(7,777,147)	(8,500,729)
Rent expense	(1,142,303)	(835,027)	(629,115)
Service and repair expense	(12,772,659)	(18,301,961)	(23,869,346)
Travel expenses	(8,032,276)	(9,759,123)	(10,412,376)
IPO expenses			(7,430,890)
Other expenses	(2,968,881)	(2,444,244)	(2,805,269)
EBITDA	42,910,651	63,278,362	65,609,891
<i>EBITDA margin</i>	23.3%	25.3%	22.3%
Depreciation	(13,097,099)	(21,271,129)	(21,527,810)
Amortisation	(1,431,721)	(2,618,346)	(2,151,288)
EBIT	28,381,831	39,388,887	41,930,793
<i>EBIT margin</i>	15.4%	15.8%	14.2%
Interest income	138,168	37,696	1,433
Finance costs	(3,485,696)	(4,048,599)	(2,526,010)
Net profit / (loss) before tax	25,034,303	35,377,984	39,406,216
Income tax benefit / (expense)	(8,339,519)	(10,737,611)	17,779,567
Net profit / (loss) after tax	16,694,784	24,640,373	57,185,783
<i>Net profit margin</i>	9.1%	9.9%	19.4%

Source: DDH1 annual reports

We note the following in relation to the financial performance of DDH1 Limited:

- Revenue increased by 35.6% in FY20 and a further 17.1% in FY21 driven by increases in rig numbers and rig utilisation. From the end of FY19 to the end of FY21, rigs increased from 82 to 98 units. In addition, utilisation increased from 75% in FY19 to 77% in FY21 and revenue per rig increased from A\$2.7 million to A\$3.1 million.
- Other income increased to A\$4.2 million in FY21, from A\$2.3 million in FY20, mainly due to a training booster incentive of c. A\$2.0 million. This relates to the Boosting Apprenticeship Commencements wage subsidy provided by the Federal Government due to the enrolment of new field staff into accredited training programs.
- Employee and contract labour expenses consist primarily of salary and wages, superannuation expenses, and share based payments.
- Finance costs relate to interest on a syndicated loan and lease liabilities, as well as loan establishment fees. We note that finance costs decreased in FY21 as a result of a reduction in borrowings. As a result interest on the syndicated loan decreased from c. A\$3.5 million in FY20 to c. A\$1.7 million in FY21.

- DDH1 incurred costs of A\$7.4 million in relation to the IPO undertaken in FY21.
- Amortisation expenses relate to the amortisation of customer relationship and software intangible assets related to the acquisition of Ranger Drilling and Strike Drilling.
- Due to the IPO restructuring DDH1 revalued its tax asset base, which resulted in a deferred tax asset at 30 June 2021 of A\$14.4 million, compared to a deferred tax liability of A\$11.0 million in FY20. Accordingly Statutory NPAT was significantly higher in FY21 compared to FY20.

Below we present a reconciliation between the statutory and underlying EBITDA for FY21:

Reconciliation between Statutory and Pro-forma EBITDA			
A\$m	FY19	FY20	FY21
Statutory EBITDA	42.9	63.3	65.6
Costs in Statutory EBITDA to be added back:			
M Class Share based payment			1.5
Employee gift shares			0.7
IPO Costs			7.4
Costs not in statutory EBITDA to be included:			
July to Feb - LTIP			(0.1)
July to Feb - D&O Liability Insurance			(0.3)
July to Feb - Directors Cost			(0.1)
July to Feb - Other incremental costs			(0.1)
Pro-forma EBITDA	54.0	64.5	74.6

Sources: DDH1 Prospectus, DDH1 FY21 Results Presentation

5.5.2 Financial position

The table below illustrates DDH1's audited consolidated statements of financial position as at 30 June 2019, 30 June 2020 and 30 June 2021.

Consolidated statements of financial position	FY19	FY20	FY21
A\$	Audited	Audited	Audited
Assets			
Cash and cash equivalents	16,911,961	37,580,769	14,590,659
Trade and other receivables	47,803,793	41,887,803	55,695,509
Inventories	22,540,268	23,621,065	26,098,345
Current tax asset			4,278,721
Other current assets	783,583	728,734	1,221,488
Total current assets	88,039,605	103,818,371	101,884,722
Financial assets	515,667	569,432	562,105
Intangible assets	35,450,928	32,898,889	30,818,630
Property, plant and equipment	98,343,252	107,220,400	129,414,863
Right-of-use assets	-	5,071,920	4,229,289
Deferred tax asset			14,412,598
Total non-current assets	134,309,847	145,760,641	179,437,485
Total assets	222,349,452	249,579,012	281,322,207
Liabilities			
Trade and other payables	21,861,260	21,827,852	28,756,769
Lease liabilities	1,670,564	2,277,532	3,217,019
Borrowings	3,491,055	3,344,427	
Current tax liabilities	2,762,670	5,739,697	
Provisions	4,458,193	5,277,042	8,433,280
Total current liabilities	34,243,742	38,466,550	40,407,068
Lease liabilities	2,690,186	6,189,289	6,424,458
Borrowings	60,154,132	58,104,752	
Provisions	373,210	585,089	803,621
Deferred tax liabilities	11,607,027	10,972,943	
Total non-current liabilities	74,824,555	75,852,073	7,228,079
Total liabilities	109,068,297	114,318,623	47,635,147
Net Assets	113,281,155	135,260,389	233,687,060

Source: DDH1 annual reports

We note the following in relation to DDH1's financial position:

- Property, plant and equipment ("PPE") comprises mainly of drilling rigs, associated vehicles and equipment. DDH1 added 6 rigs in FY20 and 10 rigs in FY21, with an additional 11 rigs secured for FY22. As a result, PPE increased from A\$98 million in FY19 to A\$129 million in FY21. The additional rigs contributed to growth capex of A\$30 million in FY21, and A\$19 million in FY20. Maintenance and sustaining capex were A\$7 million and A\$6 million respectively in FY21, which translates to around 4.5% of revenue, consistent with the prior two financial years.
- Financials assets of c. A\$0.6 million in FY21 relate to investments held in listed and unlisted companies. We note that the investment in equity instruments is not held for trading, but rather for medium to long term strategic purposes. Specifically, the Group holds less than 1% of the ordinary shares of St George Mining Limited and Victory Mines Limited. In addition the Group holds ordinary shares and performance rights in Serena Minerals Limited, a company involved in mineral exploration in Australia.

- Right-of-use assets relate to DDH1's three leases in place for office leases in Perth and another lease in place for a storage yard in Newman.
- The Group maintains an inventory of drilling parts and spares for use in the rendering of drilling services. DDH1 maintained higher inventories in FY21 in line with buoyant market conditions.
- Intangibles relate to customer relationships, goodwill and software development.
 - Customer relationships were recognised as a result of the acquisitions of Strike Drilling in May 2018 and Ranger Drilling in April 2019. In relation to Strike Drilling, these customer relationships are amortised on a straight line basis over six years, resulting in amortisation of c. A\$917k in FY21. Likewise, customer relationships recognised as a result of the Ranger Drilling acquisition are amortised on a straight line basis over a period of each contract. The contracts range from 1 to 4.5 years at the acquisition date, and resulted amortisation of c. A\$1.2 million in FY21.
 - In FY21, Goodwill remained unchanged from FY20 at c. A\$25.4 million, related to the acquisitions of Ranger Drilling and Strike Drilling in the prior reporting periods.
- Lease liabilities include leases on offices premises which relate to the right of use assets, and hire purchases liabilities. Each hire purchase liability has a term of 3 years, with 36 monthly payments and no balloon payment. The applicable interest rate is fixed and ranges between 1.9% to 4.2%.
- In FY20 borrowings related to a syndicated loans facility with a term of 4 years which is repayable at the end of that term. The entire syndicate loans were repaid on 10 March 2021, and the agreement was terminated. We note that in FY21, the Group has entered into a new five year multi-option facility with Bankwest for a maximum of A\$50 million. This facility at year end has A\$700k assigned to a bank guarantee facility and the remaining A\$49.3 million assigned to the overdraft facility. At year end, the Group has not drawn down on any of the overdraft facility. The Group also has a further A\$10 million asset finance facility in place with Bankwest.

5.5.3 Cash Flow Statement

The Company's cash flow statements for the last three years are set out below.

Consolidated statements of cash flow	FY19	FY20	FY21
A\$	Audited	Audited	Audited
Cash flows from operating activities			
Receipts from customers	192,619,045	280,662,250	314,190,478
Payments to suppliers and employees	(147,459,003)	(211,508,792)	(245,434,282)
Finance costs	(2,675,697)	(4,148,909)	(2,526,011)
Interest received	138,168	37,696	1,433
Income tax paid	(7,379,284)	(8,394,669)	(17,624,392)
Net cash inflow from operating activities	35,243,229	56,647,576	48,607,226
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	1,362,625	1,142,050	312,280
Payments for property, plant and equipment	(24,327,303)	(28,110,774)	(39,251,061)
Payments for intangibles	(57,415)	(66,307)	(71,029)
Net cash outflow on the acquisition of business	(4,335,675)		
Proceeds from sale of financial assets	583,085		94,587
Net cash outflow from investing activities	(26,774,683)	(27,035,031)	(38,915,223)
Cash flow from financing activities			
Proceeds from issue of shares	300,000		41,000,000
Share issue costs			(9,490,782)
Repayment of lease liabilities	(549,412)	(3,850,015)	(2,742,152)
Repayment of borrowings		(2,196,007)	(61,449,179)
Dividends paid		(2,897,715)	
Net cash outflow in financing activities	(249,412)	(8,943,737)	(32,682,113)
Net increase / (decrease) in cash and cash equivalents	8,219,134	20,668,808	(22,990,110)
Cash and cash equivalents at the beginning of the financial	8,692,827	16,911,961	37,580,769
Cash and cash equivalents at year end	16,911,961	37,580,769	14,590,659

Source: DDH1 annual reports

We note the following in relation to DDH1's cash flow statements:

- In FY21 DDH1 repaid c. A\$61.4 million of borrowings, which was funded through a combination of the primary proceeds raised from the IPO as well as existing cash. We note that whilst A\$150 million was raised as part of the IPO, at a share price of A\$1.10 per share, A\$109 million was paid to previous shareholders with the net proceeds of A\$41 million received by the Company and used to pay down debt within the business and cover transaction costs.
- For the year ended 30 June 2021, a fully-franked dividend of 2.18³² cents per share was declared on 26 August 2021 and paid on 8 October 2021.

5.6 Share capital structure

As at the date of this report, DDH1 has the following securities on issue:

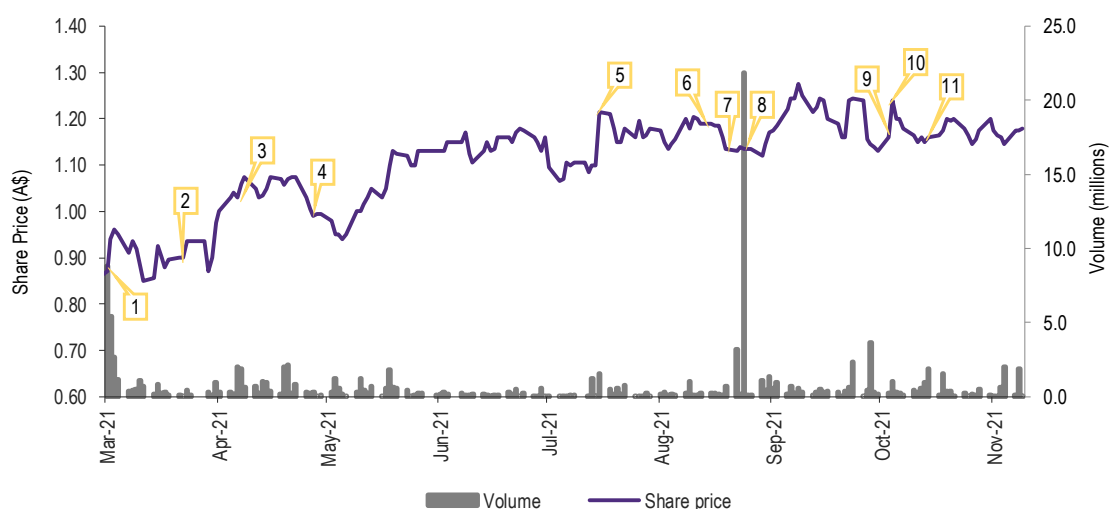
³² Which is based on 40% of Pro-Forma NPATA since listing

- 342,804,678³³ (including treasury shares) fully paid ordinary shares.
- 2,239,099³⁴ performance rights issued under the DDH1 Long-Term Incentive Plan.

5.6.1 Share price and market analysis

Our analysis of the daily movements in DDH1's trading price and volume since inception³⁵ is set out below.

Historical share price and volume for DDH1



Source: ASX announcements, GTCF analysis

The following table describes the key events which may have impacted the share price and volume movements recently as shown above.

Event	Date	Comments
1	9-Mar-21	DDH1 commences trading on the ASX following the completion of a A\$150 million IPO raising via the issue of c. 136.4 million shares at an issue price of A\$1.10 per share.
2	31-Mar-21	DDH1 announced that it had secured an additional 4 surface mineral drilling rigs in response to strong customer demand. The first 2 of the additional rigs will be operational within the DDH1 fleet in FY21 whilst the remaining 2 additional rigs will be operational in FY22. We note the new rigs are in addition to the 11 rigs already secured since the start of FY21.
3	15-Apr-21	DDH1 announced that it had finalised terms with Bankwest for debt facilities of up to A\$60 million. The debt facilities, which include a A\$50 million revolving credit line and A\$10 million asset finance, will assist DDH1 with executing its growth strategy. We note the following key terms of the debt facilities: <ul style="list-style-type: none"> • The A\$50 million revolving credit facility has a 5 year term and can be used by DDH1 for general corporate purposes, including acquisitions, capital expenditure and working capital. • The A\$10 million asset finance master limit facility is uncommitted and can be used for equipment purchases. • Both facilities are on normal customary terms and secured over DDH1 assets.
4	5-May-21	DDH1 provided a presentation on the Company's corporate and financial history, market position, growth strategy and an update on its market outlook since listing on 9 March 2021. The presentation was delivered at the Macquarie Australia Conference 2021. Highlights included: <ul style="list-style-type: none"> • FY21 forecast pro-forma revenue of A\$280.2 million. • FY21 forecast pro-forma EBITDA of A\$69.3 million. • Current rig count of 97, with a total of 103 expected by early FY22. • Forecast net cash of A\$7.4 million at 30 June 2021.

³³ As at 15 November 2021.

³⁴ This includes 1,176,362 as at 20 June 2021 plus an additional 1,062,737 side in November 2021

³⁵ DDH1 listed on the ASX on 9 March 2021.

5	23-Jul-21	<p>DDH1 provides an update on its financial performance for the year to 30 June 2021, as summarised below:</p> <ul style="list-style-type: none"> • Preliminary unaudited pro-forma EBITDA is expected to be A\$74.8 million, 7.9% higher than the prospectus forecast. • Preliminary unaudited pro-forma EBIT is expected to be A\$51.1 million, 16.1% higher than the prospectus forecast.
6	20-Aug-21	<p>DDH1 announced that 140,809,637 fully paid ordinary shares will be released from voluntary escrow on 27 August 2021. We note these shares are already quoted on the ASX. The shares to be released from escrow are held as follows:</p> <ul style="list-style-type: none"> • Oaktree Capital: 75,753,063 shares • Founders: 56,983,245 shares • Management: 8,073,329 shares <p>Following the release of these shares from voluntary escrow, there are 65,056,578 shares that remain subject to voluntary escrow. The shares to remain in escrow until the Company releases to the ASX its financial results for the financial year ended 30 June 2022 are held as follows:</p> <ul style="list-style-type: none"> • Founders: 56,983,251 shares • Management: 8,073,327 shares
7	27-Aug-21	<p>DDH1 announced its results for the full year ended 30 June 2021 (FY21), as summarised below:</p> <ul style="list-style-type: none"> • Revenue of A\$294.6 million, which reflects a 5.1% outperformance to Prospectus forecasts. • A further 10 rigs were added to the fleet to end FY21 with 98 rigs total, and a further 8 rigs secured to be delivered in FY22. • Rig utilisation of 77% compared to 73% in FY20. • Pro-forma EBITDA of A\$74.6 million, a 15.6% increase on FY20 and 7.6% higher than Prospectus forecast. • Net cash of A\$9.6 million and A\$54.4 million in undrawn facilities. • Fully franked dividend of 2.18 cents per share declared.
8	1-Sep-21	<p>DDH1 announced that substantial shareholder Mathew Thurston, through his private investment entity Goldenmile Pty Ltd has sold 20 million shares. Following completion of the sale, Goldenmile remains a substantial shareholder in DDH1 with an interest in 27,419,961 (c. 8.0%) DDH1 shares. This includes 23,709,981 DDH1 shares, which remain subject to voluntary escrow until DDH1 releases its financial results for the year ended 30 June 2022 to the ASX.</p>
9	11-Oct-21	<p>DDH1 announced that it is further expanding its fleet of surface mineral drilling rigs with the acquisition of 3 new rigs. Highlights of the announcement are summarised below:</p> <ul style="list-style-type: none"> • All 3 rigs feature automated, hands-free capability including 100% hands-free rod handling systems. • The 3 rigs are due for delivery mid calendar year 2022. • The rigs are in addition to the 8 additional rigs already announced for delivery in FY22.
10	12-Oct-21	<p>DDH1 and Swick announced the Proposed Transaction. Key terms are summarised below:</p> <ul style="list-style-type: none"> • Under a Scheme of Arrangement Swick shareholders are to receive 0.2970 new DDH1 shares for each Swick share held. • Swick's drilling business is valued at 35 cents per Swick share, reflecting an enterprise value of A\$115 million (excluding the value of Oreplore).
11	22-Oct-21	<p>DDH1 and Swick announced that they have entered into a Scheme Implementation Agreement, reflecting the indicative terms announcement on the 12 October 2021.</p>

Source: ASX announcements, GTCF analysis

The monthly share price performance of DDH1 since inception and the weekly share price performance of DDH1 over the last 16 weeks is summarised below:

DDH1 Holdings Limited	Share Price			Average
	High	Low	Close	weekly volume
	\$	\$	\$	000'
Month ended				
Mar 2021	1.005	0.810	0.935	6,883
Apr 2021	1.100	0.865	1.075	3,515
May 2021	1.140	0.915	1.120	2,447
Jun 2021	1.180	1.090	1.170	777
Jul 2021	1.265	1.050	1.180	1,429
Aug 2021	1.225	1.110	1.140	1,768
Sep 2021	1.295	1.100	1.240	7,136
Oct 2021	1.245	1.110	1.200	3,623
Week ended				
30 Jul 2021	1.240	1.135	1.180	2,149
6 Aug 2021	1.195	1.155	1.180	346
13 Aug 2021	1.190	1.110	1.155	824
20 Aug 2021	1.225	1.145	1.190	1,747
27 Aug 2021	1.195	1.130	1.135	1,539
3 Sep 2021	1.170	1.120	1.135	25,414
10 Sep 2021	1.210	1.100	1.185	4,340
17 Sep 2021	1.295	1.190	1.250	2,009
24 Sep 2021	1.270	1.180	1.200	1,651
1 Oct 2021	1.245	1.125	1.245	3,643
8 Oct 2021	1.240	1.110	1.130	4,474
15 Oct 2021	1.240	1.130	1.180	1,864
22 Oct 2021	1.200	1.135	1.160	4,117
29 Oct 2021	1.225	1.150	1.200	2,429
5 Nov 2021	1.200	1.130	1.175	1,012
12 Nov 2021	1.200	1.140	1.145	2,750

Source: S&P Global, GTCF analysis

Note: The share price analysis is based on 17 November 2021.

5.6.2 Substantial shareholders

The table below summarises the substantial shareholders of DDH1 as at 25 November 2021.

Substantial ordinary shareholders	Number of shares	%
DDH1 Holdings Singapore Pte Ltd and the Oaktree Substantial Holders ¹	75,753,063	22.1%
Murray Pollock & Western Alloys Pty Ltd as Trustee for The Westall Investment Trust	47,419,961	13.8%
Matthew Thurston & Goldenmile Pty Ltd as trustee for the Alloys Investment Trust	27,419,961	8.0%
Tribeca Investment Partners Pty Ltd	20,991,772	6.1%
Wilson Asset Management Group	18,299,649	5.3%

Source: Management

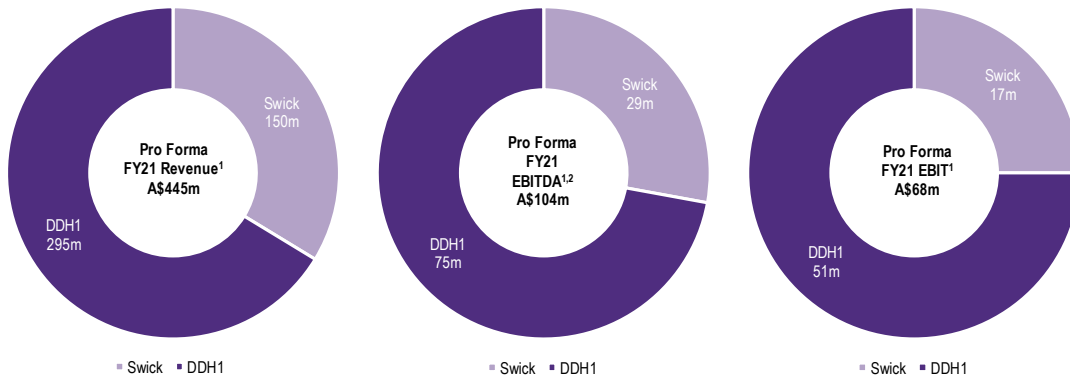
Note (1): Represents Oaktree Capital's direct interest in DDH1 shares and excludes indirect interest, which results from DDH1's escrow arrangements with various shareholders.



6 Profile of the Merged Group

6.1 Overview of the Merged Group

The graphs below provide an illustration of the Merged Group.



Source: DDH1 Investor Presentation, October 22

Note (1): Pro Forma figures for Swick capture only the Drilling Business and exclude impacts from RC (divested in FY21) and Orexplore costs. All figures shown exclude synergies unless stated otherwise.

Note (2): FY21 Drilling Business EBITDA (reported) of A\$30.4m included a contribution from the divested RC business of c. A\$1.2m which has been excluded in this Pro Forma analysis.

If the Proposed Transaction is completed, the Merged Group will have the following characteristics:

- A materially larger, more diversified mineral drilling business with international operations, generating c. A\$445 million revenue and c. A\$104 million EBITDA per annum³⁶ pre synergies.
- Australia’s largest fleet of over 170 rigs across surface (c. 60%) and underground (c. 40%) drilling.
- An improved ability to service its fleet internally and reduced dependency on third party suppliers, alongside an in-house R&D function to help develop innovative solutions across the combined surface and underground fleets.
- Cost synergies³⁷ of at least A\$2.0 million to A\$5.0 million per annum in relation to corporate overhead and shared service synergies as well as operational and procurement synergies. Whilst not currently factored in, there are also potential revenue synergies through rig rebuild time efficiencies and the ability to deliver whole of mine full drilling service offering.
- An improved ability to tender for new opportunities, given both the complementarity nature of the businesses as well as the tendering expertise and relationships of both groups of Management, which are likely to be strengthened.
- A large-scale business with enhanced capacity to access the equity markets and to fund investments necessary for large contracts and obligations.

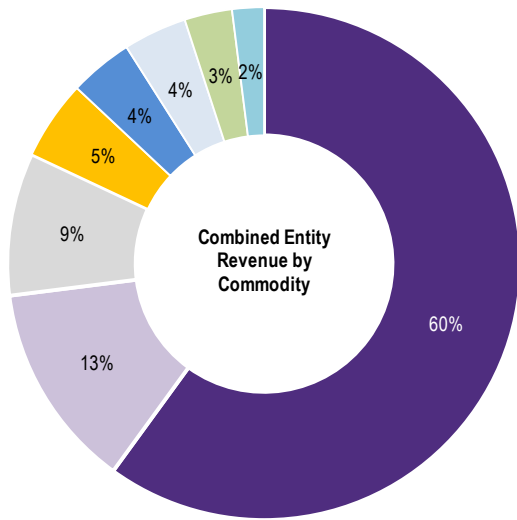
Below we provide an overview of the geographic and commodity exposures of the Merged Group.

³⁶ Represents Pro Forma Revenue and EBITDA for the combined business on a FY21 basis. Swick contribution excludes any earnings contribution from Orexplore or the RC business that was divested in December 2020.

³⁷ Pre-tax and implementation costs.

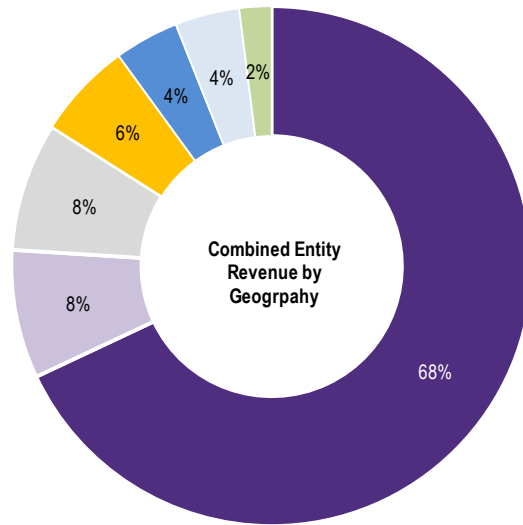


Split of revenue by commodity



- Gold
- Iron Ore
- Copper
- Nickel
- Gold/Copper
- Other base and polymetallic
- Zinc/Lead/Silver
- Other

Split of revenue by geography



- Western Australia
- New South Wales
- International
- Northern Territory
- South Australia
- Queensland
- Tasmania

Source: DDH1 Investor Presentation, October 22

6.2 Board of Directors and Management Team

We note that Mr Sy van Dyk, current DDH1 Managing Director and CEO, and current DDH1 Chairperson, Ms Diane Smith-Gander AO will continue to lead DDH1 upon completion of the Scheme. There are no plans to change the current DDH1 Board composition. Additionally, DDH1 intends to manage Swick utilising the current operational management team, with current Swick Managing Director, Mr Kent Swick to continue as a Managing Director.

Following implementation of the Scheme, DDH1 will review the support services across Swick and the wider DDH1 business to determine the best systems, processes and people to lead the support service across the wider group and to deliver on the synergies communicated. Given Swick and its controlled entities will be wholly owned subsidiaries of DDH1, the Swick Board will be reconstituted so that they comprise persons nominated by the DDH1 Board.

6.3 Pro-forma financial information

The pro forma financial information (excluding synergies) extracted from the Scheme Booklet of the Merged Group are summarised below.

Pro forma statement of comprehensive income	FY21	FY21	FY21
A\$ million (Constant currency basis)	DDH1	Swick	Pro Forma Combined
Revenue	294.6	150.1	444.7
COGS	(188.6)	(110.0)	(298.6)
Gorss Profit	106.0	40.1	146.1
<i>Gross Margin (%)</i>	36.0%	26.7%	32.9%
SG&A	(31.4)	(11.0)	(42.4)
EBITDA	74.6	29.1	103.7
<i>EBITDA Margin (%)</i>	25.3%	19.4%	23.3%
D&A	(23.7)	(12.5)	(36.2)
EBIT	50.9	16.6	67.5
<i>EBIT Margin (%)</i>	17.3%	11.1%	15.2%
Net Interest	(0.7)	(1.2)	(0.9) ¹
Profit before tax	50.2	15.4	66.6
Tax	(15.1)	(4.6)	(20.0)
NPAT	35.1	10.8	46.6
<i>NPAT Margin (%)</i>	11.9%	7.2%	10.5%

Source: DDH1 Investor Presentation, GTCF analysis

Note (1): Adjustments applied to Pro Forma FY21 net interest expense under the assumption DDH1 repays Swick's net debt; (2) Pro-forma statement of income does not factor in synergies.

Consolidated statements of financial position			Pro Forma	Add:	Pro Forma
A\$'000s	Swick	Adjustments ¹	Swick Drilling	DDH1	Combined
Assets					
Cash	15,108	(413)	14,695	14,591	29,286
Receivables	21,784	(363)	21,421	55,696	77,117
Other current assets	24,164	(1,431)	22,733	31,599	54,332
Total current assets	61,056	(2,207)	58,849	101,886	160,735
Property, plant and equipment	61,790	(1,894)	59,896	129,415	189,311
Intangible assets	12,609	(7,348)	5,261	30,819	36,080
Other non-current assets	10,113	(757)	9,356	19,204	28,560
Total non-current assets	84,512	(9,999)	74,513	179,438	253,951
Total assets	145,568	(12,206)	133,362	281,324	414,686
Liabilities					
Trade and other payables	15,718	(396)	15,322	28,757	44,079
Current debt	1,123		1,123	2,582	3,705
Other current liabilities	11,779	(266)	11,513	9,068	20,581
Total current liabilities	28,620	(662)	27,958	40,407	68,365
Non-current debt	16,574	15,000	31,574	2,405	33,979
Other non-current liabilities	10,614	(328)	10,286	4,823	15,109
Total non-current liabilities	27,188	14,672	41,860	7,228	49,088
Total liabilities	55,808	14,010	69,818	47,635	117,453
Net assets	89,760	(26,216)	63,544	233,689	297,233

Source: Management

Note (1): Adjustments include the demerger of Orexplore, additional debt raised for Orexplore seed funding and other BAU activities. The Pro Forma balance sheet does not reflect acquisition accounting including any goodwill on acquisition which will be finalised post transaction; (2) Numbers may not add up due to rounding.

6.4 Net debt position

Post-acquisition and excluding transaction costs, DDH1 is expected to be in a net cash position of c. A\$1.0 million on a pre-AASB 16 basis and a net debt position of c.A\$12.1 million on a post-AASB 16 basis, as outlined in the table below:

Net debt of combined entity (Estimate at completion)			
A\$ '000 (except where stated otherwise)	Swick	DDH1	Pro Forma Combined
External debt	(16,100)	-	(16,100)
Funding commitment for Orexplora	(12,000)	-	(12,000)
Hire purchase lease liabilities	(2,698)	(3,400)	(6,098)
Right-of-use asset lease liabilities	(8,785)	(4,229)	(13,014)
Less: Cash balance	15,108	20,000	35,108
Net cash / (debt) of combined entity	(24,475)	12,371	(12,104)

Source: DDH1 Investor Presentation

With regard to the debt position of the Merged Group, we note the following:

- Swick's assumed net debt includes the previously announced A\$12.0 million of Orexplora seed funding and Orexplora costs through the demerger date. Upon completion of the transaction, this net debt along with transaction costs will be funded through the unused capacity of DDH1's existing credit facilities totalling A\$50 million.
- The above table, as well as our valuation assessment, has been conducted on a post-AASB 16 basis.

6.5 Shareholding

Set out below is the expected shareholding structure of the Merged Group:

Combined Group	Number of shares	%
'000		
Existing shares on issue	342,805	80.3%
Scrip Consideration	84,248	19.7%
Total	427,053	100.0%

Source: DDH1 and Swick Scheme Implementation Agreement Announcement, 22 October 2021.



7 Valuation methodologies

7.1 Introduction

As part of assessing whether or not the Proposed Scheme is fair to Swick Shareholders, Grant Thornton Corporate Finance has compared:

- Fair market value of Swick Shares before the Proposed Scheme on a control basis.
- Fair market value of the Merged Entity after the Proposed Scheme on a minority basis.

In each case, Grant Thornton Corporate Finance has assessed the value using the concept of fair market value. Fair market value is commonly defined as:

“the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm’s length.”

Fair market value excludes any special value. Special value is the value that may accrue to a particular purchaser. In a competitive bidding situation, potential purchasers may be prepared to pay part, or all, of the special value that they expect to realise from the acquisition to the seller.

7.2 Valuation methodologies

RG 111 outlines the appropriate methodologies that a valuer should generally consider when valuing assets or securities for the purposes of, amongst other things, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. These include:

- Discounted cash flow and the estimated realisable value of any surplus assets (“DCF Method”).
- Application of earnings multiples and or capitalisation rates to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets (“FME Method”).
- Amount available for distribution to security holders on an orderly realisation of assets (“NAV Method”).
- Quoted price for listed securities, when there is a liquid and active market (“Quoted Security Price Method”).
- Any recent genuine offers received by the target for any business units or assets as a basis for valuation of those business units or assets.

Further details on these methodologies are set out in Appendix A to this report. Each of these methodologies is appropriate in certain circumstances.

RG111 does not prescribe any above methodologies as the method(s) that an expert should use in preparing their report. The decision as to which methodology to use lies with the expert based on the expert’s skill and judgement and after considering the unique circumstances of the entity or asset being

valued. In general, an expert would have regard to valuation theory, the accepted and most common market practice in valuing the entity or asset in question and the availability of relevant information.

7.3 Selected valuation methods

In our assessment of the fair value of Swick and DDH1, Grant Thornton Corporate Finance has relied on the valuation methodologies as outlined below:

- *EBITDA Multiple Approach*³⁸: Grant Thornton Corporate Finance has selected the EBITDA Multiple approach as the primary approach to assess the fair market value of Swick and of Merged Entity due to the following key considerations:
 - EBITDA is a frequently used valuation metric to assess the value of a company irrespective of the differences in earnings caused by varying capital structures and depreciation and amortisation policies.
 - The availability of EBIT multiples for historical comparable transactions is relatively limited compared to EBITDA.
 - Investment analysts and other market commentators in the drilling and mining services sectors typically adopt EBITDA metrics to assess the value of companies as it better approximates the true underlying cash flow of the business.
 - The Company has a history of stable profitability at the EBITDA level, which is expected to continue.
 - Swick and DDH1 did not prepare long term projections and accordingly the discounted cash flow methodology was not adoptable.

The EBITDA Multiple Approach involves the following key processes:

- Selecting an appropriate level of normalised EBITDA, having regard to the historical and budgeted operating results after adjusting for non-recurring items of income and expenditure, and other known factors likely to affect the future operating performance of the business.
 - Determining appropriate EV/EBITDA multiples having regard to the trading multiples of comparable companies and comparable transaction evidence, and the specific circumstances of the company in question.
- *Quoted Security Price Method*: In the absence of a takeover or other share offers, the trading share price represents the value at which minority shareholders could realise their portfolio investment. We have adopted this approach for the valuation of both Swick and of the Merged Entity.

³⁸ Both the EBITDA Multiple Approach and Capitalisation of Cash Flows Approach are different variants of the "FME Method".

8 Valuation assessment of SWK

8.1 EBITDA Multiple Approach

Under this method the EBITDA is capitalised at an appropriate EBITDA multiple to determine the enterprise value of the business. We have capitalised the EBITDA at a multiple that we consider reasonably reflects the business and growth prospects of the Company, as well as the potential synergistic benefits available to potential acquirers. Set out below is a summary of our valuation.

FME Method - valuation summary A\$ '000 (except where stated otherwise)	Section Reference	Low	High
GT Assessed FY22 EBITDA ¹	8.1.1	33,000	36,000
Assessed EBITDA Multiple (control basis)	8.1.2	3.50x	4.00x
Enterprise value (control basis)		115,500	144,000
Less: Net debt ²	8.1.3	(24,475)	(24,475)
Add: Surplus assets ³	8.1.3	1,571	1,571
Equity value		92,596	121,096
Number of outstanding shares ('000s) - fully diluted	8.1.4	283,663	283,663
Value per share (A\$ per Share)		0.326	0.427

Sources: S&P Global, Management, GTCF analysis

Note (1): EBITDA and EBITDA multiples prepared on a post-AASB 16 basis.

Note (2): Net debt includes hire purchase and right-of-use asset lease liabilities of A\$11.4 million and interest bearing net debt of A\$15.7 million (estimated at completion).

Note (3): Surplus assets relate to holdings in an unlisted property unit trust, this has been measured at fair value from the FY21 financial accounts which we have then tax effected to reflect the taxable gain on sale.

8.1.1 FY22 EBITDA adopted for valuation purposes

We have presented below the historical and forecast revenue, EBITDA and EBIT as well as FY21 Pro-forma figures. The FY21 pro-forma financials reflect the underlying performance of the Drilling Business (excluding Oreplore and the RC Business) as well as the Company's new depreciation policy³⁹ which assumes an extension of the useful life of rigs, and is more in line with industry standards. We note that SWK adopted the AASB 16 accounting standard on 1 July 2019 and accordingly applied it in FY20 and FY21, which all other things being the same, results in an increase of the EBITDA and EBIT.

A\$ '000 (except where stated otherwise)	For the Drilling business					Pro-forma FY21 ³	Normalised FY21 ⁴	Broker forecast FY22 ⁵
	FY17	FY18	FY19	FY20 ¹	FY21 ²			
Revenue	129,453	136,771	142,606	149,643	154,152	150,106	150,106	182,800
Revenue growth		5.7%	4.3%	4.9%	3.0%	NM	NM	21.8%
Drilling Business EBITDA	13,354	19,085	28,205	25,477	30,354	29,100	28,656	36,100
Drilling Business EBITDA margin	10.3%	14.0%	19.8%	17.0%	19.7%	19.4%	19.1%	19.7%
Drilling Business EBIT	(2,307)	2,373	9,213	4,188	15,063	16,600	16,156	21,000
Drilling Business EBIT margin	(1.8%)	1.7%	6.5%	2.8%	9.8%	11.1%	10.8%	11.5%

Sources: S&P Global, GTCF analysis

Note (1): AASB 16 adopted on 1 July 2019

Note (2): FY21 includes discontinued operations of RC Business as consistent with years FY17 to FY20.

Note (3): Pro-forma FY21 excludes discontinued operations of RC Business and also reflects the change of useful life depreciation policy which came into effect on 1 July 2021.

Note (4): Normalised FY21 EBIT and EBITDA is based on FY21 pro-forma numbers adjusted for non-recurring and non-operational income of A\$444k. This includes A\$195k of government grants, A\$150k of distributions relating to the unlisted property trust and other income of A\$99k.

³⁹ Which came into effect on 1 July 2021.

Note (5): Broker forecast is prepared on a post-AASB 16 basis. Given the limited broker coverage, the consensus estimate represents the forecasts for one broker only.

As discussed in Section 4.3 and outlined above, on 1 July 2021 the Company changed its accounting policy, extending the useful life of assets to better align to other market participants, including DDH1. In reducing the annual depreciation charge, Reported FY21 Drilling Business EBIT increases from A\$15.1 million to A\$17.2 million⁴⁰ before considering adjustments for the discontinued operations⁴¹.

In the selection of the EBITDA for our valuation assessment, we have considered the following:

Historical financial performance

- As illustrated in the table above, revenue has steadily increased over the last 4 years at a compound annual growth rate (“CAGR”) of c. 4.5%. FY18 saw a return to profitability at the EBIT level through increased drill rig utilisation, shifting drill rigs on to better performing and higher margin contracts, improving efficiencies across the business and improved market conditions. It also saw the launch of Swick’s Mineral Technology Business, Orexplore. In FY19, Swick continued the efficiency drive and strategy of reducing both operating and non-operating expenses resulting in further revenue growth and cost savings at both an operating and corporate level resulting in improved EBIT and EBITDA margins.
- FY20 proved to be a challenging year for SWK given the onset of the COVID-19 pandemic which caused the Company to suspend 6 rigs across client sites from March⁴² (although they returned to operations by the end of FY20). In addition, the Company began operations on the Pogo contract in Alaska which although positive from a revenue growth perspective, negatively affected the earnings margins due to the longer than expected ramp-up in the operations⁴³. During the year, Swick took proactive measures to ensure business resiliency, including a 20% reduction in head office staffing numbers as well as a reduction in senior management salaries and director fees during Q4 FY20. Whilst the Company still achieved top line revenue growth of 4.9%, EBITDA and EBIT margins declined significantly.
- FY21 saw a c.3.0% increase in top line revenue (on a like-for-like basis)⁴⁴ as the result of additional contracts, increased volume of rigs at work and revenue diversification through the establishment of Swick Engineering. The Company was relatively unaffected by COVID-19 in FY21, which allowed Management to continue to streamline the business, including the sale of the RC division as well as the decision to demerge its Orexplore.

Broker forecast financial performance

We note that Swick is only covered by one Broker analyst. For FY22 the broker is forecasting year-on-year increases of 21%, 49% and 163% for revenue, EBITDA and EBIT respectively (including Orexplore⁴⁵) when compared to its FY21 actual comparative figures. The FY22 EBITDA is forecast at A\$36.1 million on

⁴⁰ As consistent with the numbers disclosed on the ASX announcement on 12 October 2021.

⁴¹ The RC business was divested in December 2021.

⁴² Although the six rigs were back in operations by the end of the financial year.

⁴³ New contracts are typically less profitable in the early stages as the Company identifies efficiencies and learns the geology of the mine site over time resulting in optimised operations and improving margins over time.

⁴⁴ Although the RC Drilling business is only included until completion of the sale in February 2021.

⁴⁵ The broker forecast states that Orexplore contributions are included, however there is no detail as to the amount of contributions and how the timing of the contributions aligns to the demerger.

a post-AASB 16 basis (excluding Orexplore), however only limited disclosure on the underlying assumptions is provided.

Management FY22 Internal Projections and YTD performance

Management has provided us with their high level internal projection for FY22 (“FY22 Internal Projection”) which have been prepared on the assumption that no new customers are acquired, with all earnings growth being derived from existing customer base. It assumes an increase in average rig utilisation as well as 8 rig sales (2 per quarter) from the Engineering division. Grant Thornton Corporate Finance has considered the FY22 Internal Projection for the purpose of our valuation assessment, however in accordance with the requirements of RG111, we have not disclosed it in our report as it does not meet the requirements for presentation of prospective financial information as set out in ASIC RG170. In addition some of the assumptions underlying them are hypothetical and the recent financial performance of the business has been volatile.

We have also compared the FY22 Internal Projection with the YTD performance for the 4 month period ending 31 October 2021 and observe that the Company is tracking slightly behind the FY22 Internal Projection. The business is performing ahead of prior year for the same corresponding period, with revenue, EBITDA and EBIT all higher than at the same point in FY21 which is primarily driven by increasing rig count.

Conclusion on the adopted EBITDA

We have assessed the FY22 EBITDA between A\$33.0 million and A\$36.0 million on a post-AASB 16 basis for Swick. The substantial increase in EBITDA for FY22 captures both the increased rig utilisation as well as the renewal of two key contracts within the year. The growth aligns to the expected industry increase in FY22 gold production and exploration expenditure as discussed in Section 3.3.2, it is in line with the broker’s forecast and it takes into account Grant Thornton’s review of the FY22 Internal Projection and YTD financial performance.

8.1.2 FY22 EV/EBITDA multiple

8.1.2.1 Comparable Company multiples

In selecting the comparable companies for SWK, we have considered drilling companies and other mining service providers that operate both in Australia and internationally. Whilst the country of operations and type of mining services offered enable some comparability, we also note that company size, revenue growth, margins, diversification and drilling also play a significant role in determining the implied multiples and comparability. Summarised below are the EV/EBITDA trading multiples of the selected companies.

Company name	Country	Last Fiscal Year End	Operating focus	Market Cap (A\$m)	EV / EBITDA ¹			
					FY20	FY21	FY22	FY23
Australian listed companies:								
Swick Mining Services Limited ²	Australia	30-Jun-21	Drilling	99	4.3x	3.8x	3.0x	NA
DDH1 Limited	Australia	30-Jun-21	Drilling	382	5.8x	5.1x	4.4x	4.0x
Mitchell Services Limited	Australia	30-Jun-21	Drilling	95	3.5x	3.5x	3.1x	3.1x
Perenti Global Limited	Australia	30-Jun-21	Drilling / Mining Services	663	2.7x	3.1x	3.0x	2.6x
MACA Limited	Australia	30-Jun-21	Drilling / Mining Services	278	3.8x	2.8x	2.2x	2.3x
Macmahon Holdings Limited	Australia	30-Jun-21	Drilling / Mining Services	399	2.2x	2.1x	1.9x	1.7x
Dynamic Drill and Blast Holdings Limited ³	Australia	30-Jun-21	Drilling / Mining Services	50	NA	3.9x	NA	NA
Average - Australian				281	3.7x	3.5x	2.9x	2.8x
Median - Australian				278	3.7x	3.5x	3.0x	2.6x
International listed companies:								
Major Drilling Group International Inc.	Canada	30-Apr-21	Drilling	876	17.3x	15.5x	8.4x	7.2x
Geodrill Limited ⁴	Isle of Man	31-Dec-20	Drilling	112	4.9x	2.7x	2.5x	NA
Capital Limited ⁴	Mauritius	31-Dec-20	Drilling / Mining Services	278	6.9x	4.4x	3.1x	2.9x
Boart Longyear Group Ltd. ⁴	United States	31-Dec-20	Drilling / Mining Services	908	29.4x	16.1x	NA	NA
Orbit Garant Drilling Inc.	Canada	30-Jun-21	Drilling	41	10.6x	4.1x	4.0x	3.8x
Foraco International SA ⁴	France	31-Dec-20	Drilling	248	8.3x	7.0x	4.1x	NA
Average - International				411	12.9x	8.3x	4.4x	4.6x
Median - International				263	9.5x	5.7x	4.0x	3.8x
Average - All				341	8.3x	5.7x	3.6x	3.5x
Median - All				278	5.4x	3.9x	3.1x	3.0x

Sources: S&P Global, GTCF analysis

Note (1): The trading multiples are based on the share prices as at 12 November 2021 except DDH1, which was calculated on the 11 October to exclude the effects of the Scheme announcement. All multiples are presented on a post-AASB 16/IFRS 16 basis in the reported currency per the financial statement. Multiples are calculated using the underlying, adjusted EBITDA provided in the annual financial statements when available.

Note (2): Swick Mining EBITDA for FY20 based on Pro-forma Underground Drilling business (including engineering business) EBITDA of A\$29.1 million as per the DDH1 acquisition of Swick investor presentation released to the ASX on 22 October 2021. FY21 EBITDA based on broker forecast of A\$36.1 million for the Underground Drilling business (including engineering business)

Note (3): FY21 pro-forma EBITDA of A\$12.9 million, which includes the contribution from the Orlando Drilling business.

Note (4): For companies with a December fiscal year end, we have converted the EBITDA to a financial year end of 30 June, in line with the Australian peers.

A brief description of the selected comparable companies is set out in Appendix B. We note the following in relation to the comparable companies:

- The EBITDA multiples presented above reflect the value of underlying companies on a minority basis and do not include a premium for control.
- We have primarily selected Australian and international drilling companies as well as diversified mining services companies that have a significant component of revenues generated from drilling services

In our detailed review of each comparable company we also note the following key similarities and differentiating factors with Swick.

- Swick is primarily focused on underground diamond core drilling services for gold and copper miners. It primarily operates in Australia, although it also has contracts for mines in the United States and Europe.
- Several of the comparable trading companies, and particularly those with higher trading multiples such as Major Drilling, DDH1 and Foraco International, are larger than Swick, employ a wider range of drilling methods, and offer their services to a broader range of sectors.

- Some of the companies were more severely impacted by the COVID-19 pandemic than SWK and DDH1. Whilst the Australian based listed companies managed to avoid many of the impacts due to Australia's strict border controls and accommodative government and economic policy, many of the international companies were more negatively affected. This is evident in all the international listed companies, as displayed in the strong recovery in EBITDA margins, and significant ramp-up in multiples. Of all the listed international companies, only the Boart Longyear share price has not recovered to its pre-pandemic levels.
- As well as providing drilling services, MACA Limited, Macmahon Limited, Perenti Global, Dynamic Drill, Capital Limited and Boart Longyear are diversified providers of services to the mining, infrastructure and construction sectors. Despite being much larger than Swick, these companies have usually lower earnings margins and experience a greater volatility in revenues and earnings than Swick given their greater exposure to the commodities cycle. Swick is primarily focused on mines in the operational and development phase and its revenues are typically more stable and recurring in nature due to the ongoing requirement for drilling services over the duration of the mine life. Accordingly we have placed limited reliance on diversified mining services companies when arriving at an EBITDA multiple range for Swick.

In order to gather some further insights on the listed peers, we have set out in the table below a summary of the historical and forecast financial performance of Swick and the selected comparable companies with forecasted multiples

Company name	Country	Revenue growth ¹		EBITDA margin ¹				Estimated Revenue per rig (A\$, Millions) ²
		FY21	FY22	FY20	FY21	FY22	FY23	
Australian listed companies:								
Swick Mining Services Limited	Australia	4.7%	21.8%	17.8%	19.4%	19.7%	NA	2.1
DDH1 Limited	Australia	17.9%	14.1%	25.8%	25.3%	25.4%	25.7%	3.1
Mitchell Services Limited	Australia	9.1%	3.4%	19.9%	18.6%	20.5%	19.8%	2.0
Perenti Global Limited	Australia	2.1%	1.8%	21.7%	18.2%	18.4%	19.7%	NA
MACA Limited	Australia	47.5%	22.3%	15.1%	13.8%	14.4%	14.7%	NA
Macmahon Holdings Limited	Australia	-2.0%	7.4%	17.3%	18.4%	19.0%	19.8%	NA
Dynamic Drill and Blast Holdings Limited ³	Australia	47.9%	NA	NA	57.3%	NA	NA	0.6
Average - Australian		18.2%	11.8%	19.6%	24.4%	19.6%	19.9%	2.0
Median - Australian		9.1%	10.8%	18.9%	18.6%	19.4%	19.8%	2.1
International listed companies:								
Major Drilling Group International Inc.	Canada	5.6%	38.1%	11.8%	12.5%	16.6%	17.9%	0.8
Geodrill Limited	Isle of Man	33.6%	15.2%	19.1%	26.4%	24.4%	NA	2.1
Capital Limited	Mauritius	34.7%	115.1%	24.0%	27.8%	18.4%	28.2%	2.3
Boart Longyear Group Ltd.	United States	19.3%	NA	8.1%	12.3%	NA	NA	1.6
Orbit Garant Drilling Inc.	Canada	18.5%	12.7%	4.9%	10.8%	9.7%	9.0%	0.8
Foraco International SA	France	18.3%	56.9%	16.3%	16.3%	17.7%	NA	1.1
Average - International		21.7%	47.6%	14.0%	17.7%	17.4%	18.3%	1.5
Median - International		18.9%	38.1%	14.1%	14.4%	17.7%	17.9%	1.3
Average - All		19.8%	28.1%	16.8%	21.3%	18.6%	19.3%	1.7
Median - All		18.3%	15.2%	17.5%	18.4%	18.4%	19.8%	1.8

Sources: S&P Global, GTCF analysis

Note (1): Revenue growth and EBITDA margin based on total revenue.

Note (2): Estimated revenue per rig in calculated using FY21 revenue and latest reported number of rigs.

Based on our analysis above we note the following for the comparable companies:

- **DDH1** – DDH1 is a market leading pure play drilling company operating primarily in Australia. In addition to being the largest mineral driller in Australia, DDH1 has the highest revenue per rig and

EBITDA margins amongst the set of comparable companies. DDH1 has c. 100 rigs and it has grown revenues at a CAGR of 19% over the last three years. Since listing in March 2021, DDH1 has traded at a premium compared with SWK and other Australian and international drilling companies. Similar to Swick it has a significant exposure to gold and copper, however it is more diversified from a commodity and drilling method perspective. For instance, approximately 19% of revenue is generated from the iron ore industry through its Ranger Drilling business and it employs a variety of drilling techniques such as air core drilling, reverse circulation drilling and diamond core drilling. DDH1 also covers a broader range of the mine life cycle with a substantial portion of revenues (c. 19%) generated from mines in the exploration phase.

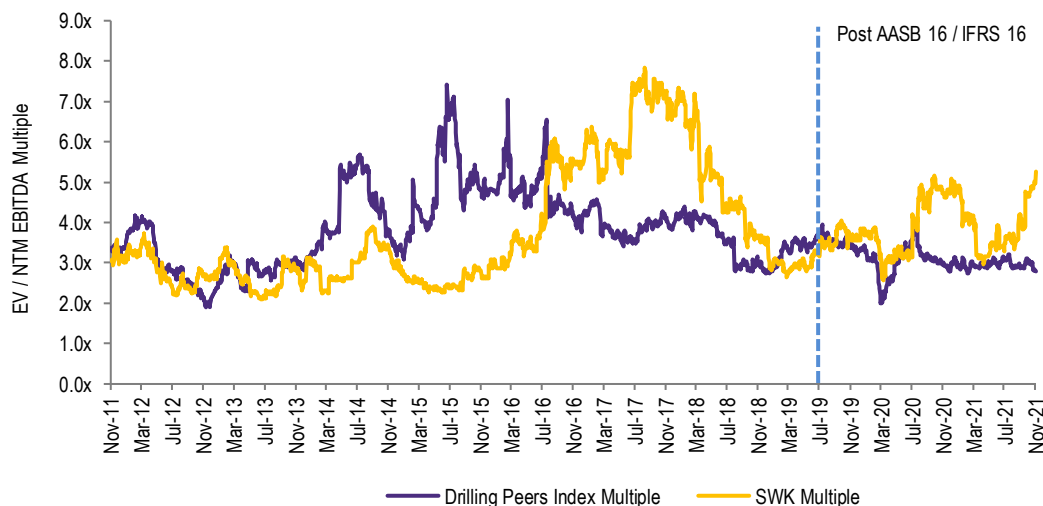
- *Mitchell Services Limited* (“Mitchell Services”) – It is a provider of drilling services to the exploration, mining and energy industries in Australia. The company offers reverse circulation, diamond core, deep hole diamond core and directional drilling services. Mitchell Services had average operating rigs of 71.6 in FY21, with revenues approximately equally split between surface and underground operations and over 80% of revenues related to tier one mining companies. In FY21, approximately 53% of revenues were generated from gold mining operations, c. 31% from coking coal and the rest from other base metals. In February 2021, Mitchell Services trading prices reduced by c. 30% in conjunction with a significant receivable impairment of A\$7.3 million and have not recovered since. Over FY21, Mitchell Services revenues grew c. 9% from A\$175.6 million in FY20 to A\$191 million. Despite this growth, EBITDA was broadly unchanged at A\$35.7 million (compared to A\$35.0 million in FY20). Given the similar commodity exposure, size, profitability and operational focus, we are of the view that Mitchell Services EBITDA multiple would be broadly comparable to Swick.
- *Major Drilling* – It is one of the largest pure play drilling services companies in the world with operations in Canada, the United States, Mexico, South America, Asia, Africa, and Australia. The company is based in Canada and offers surface and underground coring, directional, reverse circulation, sonic, geotechnical, environmental, water-well, coal-bed methane, shallow gas, underground percussive/longhole drilling, surface drill and blast, and various mining services. Its business suffered a material downturn during COVID-19 due to greater spread of the pandemic and extended lockdowns all over America. However it has since received strongly and in the first quarter of FY22 reported the highest quarterly revenue in 9 years up 69% compared with the same period of FY21 with EBITDA for the quarter 75% higher pcp. We note that it trades at a significant premium to all the other listed peers. We are of the opinion that this is due to the following:
 - Strong current and expected growth.
 - Ability to act as industry consolidator by capitalising on the ability to purchase smaller businesses with significant opportunity for multiple re-rating in fragmented industry. For example, it recently completed the acquisition of McKay Drilling at 3.2x historical EBITDA when Major Drilling is trading at high single digit EBITDA multiple.
 - Its substantially larger scale with c. 600 rigs, breadth of drilling services and geographical reach compared with most of the other listed peers.
- *Geodrill* – Operates a fleet of c. 70 surface and underground drill rigs across six countries in Africa and South America. It offers reverse circulation, diamond core, air core and deep directional drilling methods to its customers, which are predominantly top tier gold mining companies. In 2020, it generated US\$82.5 million in revenues and EBITDA of US\$19.0 million. Given the similar size,

profitability and commodity exposure, we would expect Geodrill to attract a relatively similar EBITDA multiple as Swick.

- *Orbit Garant* – It provides drilling services in Canada, the United States, South America, and West Africa. Such services include underground and surface diamond drilling, geotechnical and water drilling services. In addition the company manufactures and sells conventional and specialised drill rigs. In spite of its specialised drill offerings, the company only achieved FY20 and FY21 EBITDA margins of 4.9% and 10.8% respectively. This is partially driven by the revenue per rig, which is low among the listed peers set.
- *Foraco International (“Foraco”)* – It provides exploration, development, and production related underground water drilling services to the mining and energy industry. The company is based in France and as at 31 December 2020, operated 302 drill rigs, including 62 rotary drilling rigs, 190 core diamond drilling rigs, 18 combination rigs, and 32 underground rigs. Foraco achieved EBITDA margins of 16.3% in both FY19 and FY20 with the FY21 margin expected to increase to 17.7%. The financial performance was materially affected by the outbreak of COVID-19 and accordingly FY22 and FY23 EBITDA multiple is more reflective of normalised operations. During 2021, Foraco completed a financial restructure which allowed them to de-leverage the company's balance sheet. We also note that Foraco's rig utilisation rate reached an average of 60% in Q3 compared to 49% for the same quarter in 2020. As such, Foraco's turnaround has been viewed favourably by the market⁴⁶.

Given that Swick operates in a highly cyclical industry, we have also considered the movements of the EBITDA multiples through the cycle. Specifically, based on the trading prices of similarly sized drilling businesses (“Drilling Peers”), we have created a Drilling Peers index based on the next-twelve months EV/EBITDA multiples for the last ten years which we have compared with the EBITDA multiple of Swick.

Swick and Drilling Peers EV/NTM EBITDA rolling multiple



Sources: S&P Global, GTCF Analysis.

Note: (1) Peer index constituents are Perenti, Geodrill, Capital Limited, and Mitchell Services; (2) Index calculated by taking the average rolling EV/NTM multiples of the four companies. Swick multiple represents EV / LTM EBITDA; (3) We normalised 1 month of data in April 2015 due to low broker coverage on one of the index constituents.

⁴⁶ “We are pleased to note that the financial community Market started to recognize our track record and our capacity to pursue profitable growth”, Foraco CEO, 3 November 2021.

From the chart above we note the following:

- Multiples fluctuate between 2.0x and 6.0x with relative cyclicity. This aligns to the mining industry due to the ongoing requirements for drilling services throughout the mine life.
- There is some evidence of multiples falling during periods of weak commodity prices and reserve depletion, mining investment and associated and mining downturns

8.1.2.2 Comparable Transaction multiples

We have also considered EV/EBITDA multiples of recent comparable transactions in our analysis:

Date	Target ¹	Acquiror name	EV	EBITDA	EV / EBITDA	EV / EBITDA
				margin	Historical	Forecast
July 2021	Orlando Drilling	Dynamic Drill and Blast Holdings Ltd	25.2	21.7%	3.9x	NA
June 2021	McKay Drilling Pty Ltd.	Major Drilling Group International Inc	54.8	28.3%	3.2x	NA
February 2021	Mining West (from Downer EDI Ltd)	MACA Ltd	175.0	17.5%	2.5x	NA
November 2019	Deepcore Holdings Pty Ltd	Mitchell Services Ltd	44.0	18.0%	NA	3.5x
November 2019	Norex Drilling Ltd	Major Drilling Group International Inc	16.9	23.8%	3.4x	NA
August 2019	Wilson Mining Services Pty Ltd	Metarock Group Ltd	11.5	10% - 14%	3.7x	NA
October 2018	Barmenco Holdings Pty Ltd	Perenti Global Ltd	697.0	22.9%	4.2x	NA
Mean			146.3	21%	3.3x	3.5x
Median			44.0	22%	3.3x	3.5x

Sources: S&P Global, GTCF Analysis, Public Information.

Note: All transactions resulted in 100% control of the target companies. Where a range was provided, we have utilised the midpoint EBITDA and/or EBITDA multiple. All target companies are based in Australia and presented in A\$ except Norex Drilling. Norex Drilling is based in Ontario, Canada and the corresponding transactions metrics are presented in Canadian dollars, CA\$.

In relation to the multiples implied by the comparable transactions, we note that:

- The implied transaction multiples may incorporate various levels of control premiums and special values paid for by the acquirers. In particular, the multiples may reflect synergies paid which are unique to the acquirers.
- Some of the transactions involved unlisted companies and as such, the level of public information is limited.
- We have excluded earn-out and contingent consideration in deriving the purchase consideration for the transactions as the vesting hurdles are not disclosed. For consistency, we have calculated the multiple based on the actual EBITDA.
- The transactions observed took place during the period between October 2018 and July 2021. As such, economic and market factors like competition dynamics and commodity prices may be materially different to those currently as at the date of valuation. These factors may influence the amounts paid by the acquirers for these businesses. We also note the impact of the COVID-19 pandemic, resulting Government mandated stay-at-home-orders and lockdowns, and Government economic policies⁴⁷ which may also have an effect.

⁴⁷ This includes government and central bank based fiscal, monetary and quantitative easing economic policies.



- Most of the transaction multiples are calculated based on the historical EBITDA of the acquired companies (unless otherwise stated) which were before the introduction of the AASB 16 / IFRS 16 accounting standard. Due to the limited information available, we have not been able to verify whether the 2021 Transactions are presented on a pre or post AASB 16 basis.

We observe the following from the comparable transactions and implied EBITDA multiples:

- *Orlando Drilling* – It is a Western Australian based private company specialising in RC, Diamond, Air core and RAB drilling services that primarily operates in the Pilbara and Goldfields. The company holds 17 drilling rigs and has a broad customer base including blue-chip clients such as Fortescue, Saracens, Northern Star and Sandfire Resources. In July 2021, Dynamic Drill and Blast Holdings Limited completed the 100% acquisition which was funded by cash of A\$4.5 million, the issuance of 37.5 million ordinary shares and earn-out of up to A\$7.5 million dependent on outperformance of FY22 EBITDA. Based on the forecasted FY21 EBITDA of A\$6.0 million to A\$7.0 million, the transaction implies a historic EBITDA multiple range of 3.6x to 4.2x with a mid-point of 3.9x. Orlando utilises advanced drilling techniques such as Diamond Core drilling, enabling them to generate relatively higher EBITDA margins of 21.7% in FY21. We also note the transaction is expected to deliver significant synergies including scale, bringing Dynamic’s rig count to 33, vertical integration, customer diversification cross-selling opportunities and cost synergies. The acquisition is reported to be more than 50% earnings accretive⁴⁸ to Dynamic shareholders.
- *McKay Drilling* – Another Western Australian based private company specialising in reverse circulation drilling. The family-owned company operates RC rigs and 5 deep-hole diamond rigs and has Tier 1 client’s including BHP, Rio Tinto, Newcrest as well as other iron ore and gold miners and it delivered FY21 EBITDA margins of c.28.3%. The purchase consideration consisted of A\$39.7 million cash, 1.3 million common shares in Major Drilling and earn-out of up to A\$25 million based on the achievements of certain milestones. Based on the FY21 EBITDA of A\$17.0 million, we have derived an EBITDA multiple of 3.2x (excluding the earn-out payment).
- *Mining West* – In February 2021, MACA acquired 100% of Mining West, a fully owned subsidiary of the integrated services provider, Downer EDI. The company is based in Western Australia and operates as a surface contract mining business. Mining West holds contracts with the Karara iron ore, Eliwana iron ore, Gruyere gold and Sino-Iron iron ore projects and holds 14 excavators and shovels, 65 dump trucks, 11 surface drills and 36 other ancillary machines. The transaction enterprise value consists of an upfront cash payment of A\$109 million, 12 monthly deferred payments of A\$5.5 million each aggregating to an enterprise value of A\$175.0 million (on a debt free cash free basis). Based on historic FY20 EBITDA of A\$69.9 million, the transaction implies a historical EBITDA multiple of 2.5x. When compared to the other transactions, we note that Mining West is primarily a surface mine operator and does not hold the same degree of specialist mining equipment and expertise as SWK and some of the other comparable companies and transactions.
- *Deepcore Drilling* – It is an Eastern Australian based private company specialising in surface and underground mobile drilling, diamond drilling, acoustic and deep directional drilling. The company operates 32 drilling rigs and has a number of Tier 1 clients operating in Queensland, New South Wales and Victoria. In November 2019, Mitchell Services Limited finalised the 100% acquisition with a purchase consideration of A\$15.0 million cash, 250 million fully paid Mitchell Services shares with an agreed price of A\$0.068 per share, and contingent consideration based on a 50% entitlement of outperformance of EBITDA over 3 years to December 2022. The transaction enterprise value includes

⁴⁸ ASX announcement, Strategic Acquisition of Orlando Drilling, 20 May 2021.

net debt of c.A\$12.0 million, aggregating to a total enterprise value of A\$44.0 million (excluding the earn-out). Based on the forecast FY20 EBITDA of A\$12.6 million at the time of the transaction, we have derived an EBITDA multiple of 3.5x. We note that Deepcore's forecast FY20 revenues are split between 63% underground and 37% surface drilling and FY20 EBITDA margin was c.18%.

- *Norex Drilling* – This transaction is the only internationally based target company and is displayed in Canadian dollars. In November 2019, Major Drilling acquired 100% of Norex Drilling, a family owned drilling contractor based in Ontario, Canada which owned 22 drill rigs, including 17 compatible specialised surface drill rigs and 5 underground drills, together with related support equipment and inventory. The transaction enterprise value was C\$16.9 million⁴⁹. Based on the historic average 2 year EBITDA of C\$5.0 million, the transaction implies a historical EBITDA multiple of 3.4x excluding earn-out. Whilst only 5 of the 22 drilling rigs acquired were underground rigs, Norex was still able to achieve one of the highest EBITDA margins of 23.8% based on the average FY18 and FY19 figures.
- *Wilson Mining Services* – In August 2019, Mastermyne Group Ltd, now trading as Metarock Group Ltd, acquired 100% of Wilson Mining Services. The target company is based in New South Wales and Queensland with a specialisation in coal underground drilling. The enterprise value totalled A\$11.5 million⁵⁰ excluding contingent consideration. When combined with the company's estimated FY19 EBITDA of c. A\$2.9 to A\$3.5 million, it implies EBITDA multiples ranging between 3.7x (midpoint). EBITDA margins for the company ranged between 10% and 14% in FY19.
- *Barmenco Holdings Pty Ltd* – In October 2018, Ausdrill, a subsidiary of Perenti Group, purchased Barmenco Holdings which specialises in underground hard-rock mining services. Barmenco has a diverse service offering, including mine development, diamond drilling, vertical development, equipment supply and maintenance and production drilling, charging, blasting, loading and hauling. Barmenco has operations both domestically in Australia and overseas, which includes a 50:50 joint venture with Ausdrill operating in Burkina Faso. The enterprise value implied in the transaction was A\$697.0 million⁵¹ and the historic EBITDA multiple 4.2x⁵². The higher multiples is driven by the significant larger size and diverse operations.

8.1.2.3 Conclusion on EV/EBITDA multiple

Based on the analysis of listed comparable companies and comparable transactions, Grant Thornton Corporate Finance has assessed an FY22 EBITDA multiple for the valuation of SWK in the range of 3.5x to 4.0x on a control basis. In our selection of the EBITDA multiple, we have mainly considered the following:

- The average and median FY22 EBITDA multiples of the listed comparable company set are 3.6x and 3.1x respectively on a minority basis.
- The average and median EBITDA multiples of the comparable transaction set are 3.9x and 3.7x respectively on a control basis.

⁴⁹ Consisting of cash payment of C\$14.0 million, a C\$1.0 million holdback payment, C\$1.9 million of Major Drilling shares, and earn out of C\$2.5 million payable in cash in three years after the deal has closed.

⁵⁰ Cash payment of c. A\$3.8 million, 3.9 million shares in Mastermyne and contingent consideration of A\$3.9 million.

⁵¹ A\$25.4 million cash payment plus 150.7 million common shares in Ausdrill and A\$425.5 million of net debt.

⁵² Based on FY18 EBITDA of A\$167.3 million.

- Whilst DDH1's size and margins are significantly higher than SWK, DDH1 traded at an FY22 EBITDA multiple of 4.4x before the announcement of the Scheme.

8.1.3 Net Debt and Other Surplus Assets

In our valuation assessment we have considered Swick's net debt at completion as A\$15.7 million⁵³ (after the A\$12 million cash contribution to Orexplore immediately before completion of the Demerger) plus right-of-use asset lease liabilities of A\$8.8 million. As such, net debt totals A\$24.5 million on a post-AASB 16 basis.

In addition, the Company has a 20% ownership in an unlisted, property unit trust which we consider to be a non-operational surplus asset. Whilst the units do not trade on an active market, at 30 June 2021 the fair value was recorded as A\$1.8 million in the SWK financial accounts. We note this value includes transaction and other costs to dispose of the investment as part of its fair value measurement, but does not include the tax payable. As such, we have tax effect the net gain on realisation as it is Management's intentions to dispose of their holdings in the property unit trust by December 2021.

Net debt and surplus assets	
A\$ '000	
External debt	16,100
Funding commitment for Orexplore	12,000
Hire purchase lease liabilities	2,698
Right-of-use asset lease liabilities	8,785
Less: Cash balance	(15,108)
Net debt	24,475
Surplus assets: Property unit trust	1,571

Sources: SWK annual reports; Management

8.1.4 Shares on issue

The total number of shares outstanding included in our valuation assessment includes 281,740,622 shares on issue plus 1,922,672 shares to be issued upon the accelerated vesting of the performance rights as per the terms of the Scheme. This aggregates to 283,663,294 total shares outstanding.

Number of ordinary shares '000	Section Reference	Number of shares
Number of ordinary outstanding shares as at 30 June 2021		281,741
Performance rights shares		1,923
Total number of ordinary SWK shares outstanding	8.1.4	283,663

Sources: SWK Annual report, Scheme Implementation Agreement Announcement

8.2 Quoted Security Pricing Method

In our valuation assessment of SWK, we have also considered SWK's share trading price as cross check to our valuation. The assessed value per share based on the trading price is an exercise in professional

⁵³ This is also consistent with the presentation released by DDH1 in conjunction with the Scheme.

judgement that takes into consideration the depth of the market for listed securities, the volatility of the trading price, and whether or not the trading price is likely to represent the underlying value of SWK.

8.2.1 Liquidity analysis

In accordance with the requirements of RG 111, we have analysed the liquidity of SWK Shares before relying on them for the purpose of our valuation cross check. We set out below the monthly trading volume of SWK shares since November 2020 as a percentage of the total shares outstanding as well as free float shares outstanding⁵⁴.

Month end	Volume traded ('000)	Monthly VWAP (\$)	Total value of shares traded (\$'000)	Volume traded as % of total shares	Cumulative Volume traded as % of total shares	Volume traded as % of free float shares	Cumulative Volume traded as % of free float shares
Nov 2020	5,387	0.1913	1,030	1.8%	1.8%	2.5%	2.5%
Dec 2020	2,249	0.1987	447	0.8%	2.6%	1.0%	3.6%
Jan 2021	2,790	0.1917	535	0.9%	3.5%	1.3%	4.9%
Feb 2021	15,499	0.1614	2,502	5.2%	8.7%	7.2%	12.1%
Mar 2021	13,099	0.1627	2,132	4.5%	13.2%	6.3%	18.4%
Apr 2021	8,735	0.1551	1,355	3.1%	16.3%	4.3%	22.7%
May 2021	16,452	0.1478	2,432	5.9%	22.1%	8.2%	30.8%
Jun 2021	5,968	0.1933	1,154	2.1%	24.2%	3.0%	33.8%
Jul 2021	3,341	0.2125	710	1.2%	25.4%	1.7%	35.4%
Aug 2021	5,512	0.2246	1,238	2.0%	27.4%	2.7%	38.2%
Sep 2021	12,462	0.2557	3,186	4.4%	31.8%	6.2%	44.3%
Oct 2021	21,857	0.3310	7,234	7.8%	39.6%	10.8%	55.1%
Min				0.8%		1.0%	
Average				3.3%		4.6%	
Median				2.6%		3.6%	
Max				7.8%		10.8%	

Source: S&P Global, GTCF analysis

With regard to the above analysis, we note the following:

- The level of free float of SWK is 71.72%. During the 12-month period from November 2020 to October 2021, c. 55.1% of the free float shares were traded with an average monthly volume of 4.6% of the total free float shares.
- In the absence of a takeover or other share offers, the trading price represents the value at which minority shareholders could realise their portfolio investment.
- SWK complies with the full disclosure regime required by the ASX. As a result, the market is fully informed about the performance of the Company.

⁵⁴ Free float shares excludes those owned by company employees, individual insiders, related parties and/or other strategic investors.

- SWK provides updates to the market on a regular basis with information regarding its investment strategy and performance. As a result, there is extensive analysis provided to the market not only about SWK's performance and market standing, but also regarding industry trends.

As set out below, the level of free float of SWK shares is at the higher end of its listed peers. However, the average monthly volume traded as a percentage of free float shares is towards the low-end of the benchmark undertaken.

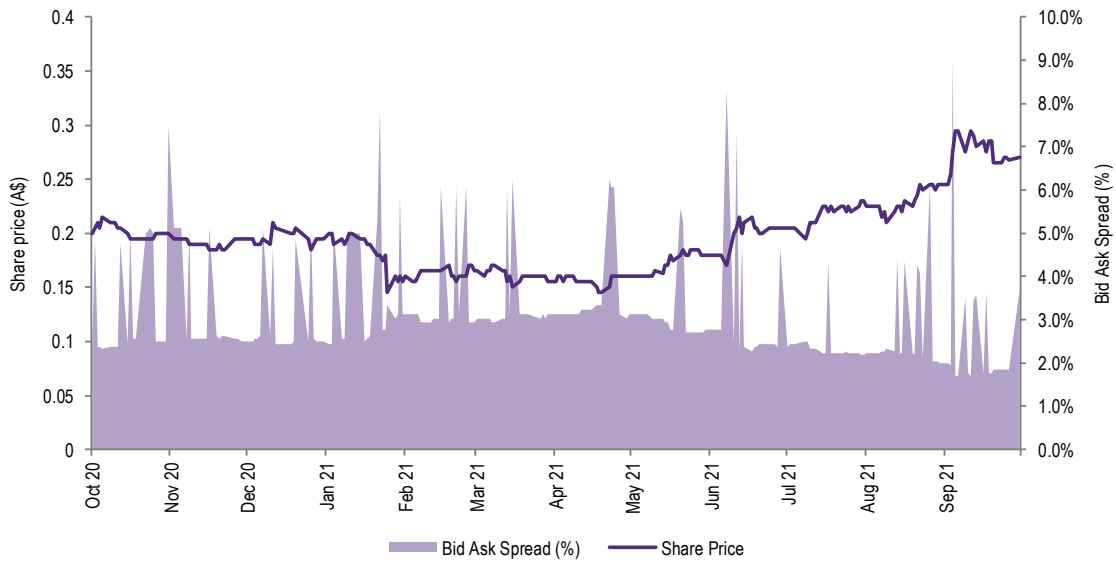
Liquidity analysis		Free float	Average	Average	Cumulative	Cumulative
Company	Country	(%)	volume traded as a % of total shares	volume traded as a % of free float shares	volume traded as a % of total shares	volume traded as a % of free float shares
Swick Mining Services Limited	Australia	71.7%	3.3%	4.6%	39.6%	55.1%
DDH1 Limited ¹	Australia	37.7%	4.2%	11.1%	33.6%	89.0%
Mitchell Services Limited	Australia	54.0%	2.5%	4.7%	30.2%	55.9%
Major Drilling Group International Inc.	Canada	88.3%	5.9%	6.7%	70.9%	80.3%
Geodrill Limited	Isle of Man	35.6%	1.5%	4.3%	18.3%	51.5%
Capital Limited	Mauritius	74.0%	14.5%	19.6%	173.7%	234.8%
Boart Longyear Group Ltd.	United States	16.6%	1.9%	11.6%	23.3%	139.8%
Perenti Global Limited	Australia	88.4%	12.6%	14.2%	151.0%	170.8%
MACA Limited	Australia	83.2%	8.7%	10.5%	104.8%	125.9%
Macmahon Holdings Limited	Australia	49.6%	2.1%	4.3%	25.6%	51.6%
Orbit Garant Drilling Inc.	Canada	72.2%	1.2%	1.6%	13.8%	19.2%
Foraco International SA	France	61.1%	0.4%	0.7%	5.2%	8.5%
Low		35.6%	0.4%	0.7%	5.2%	8.5%
Average		57.5%	5.1%	8.1%	59.1%	93.4%
Median		54.0%	2.5%	6.7%	30.2%	80.3%
High		88.3%	14.5%	19.6%	173.7%	234.8%

Sources: S&P Global, GTCF analysis

Note: (1) Data for DDH1 has been taken since listing on the ASX on 9 March 2021.

In addition to the above, where a company's shares are relatively illiquid and not heavily traded, the market typically observes a difference between the 'bid' and 'ask' price for the shares as there may be a difference in opinion between the buyer and seller on the value of the stock. The graph below shows the bid ask spread for SWK over the last twelve months, prior to the announcement of the Proposed Transaction on 12 October 2021.

SWK Spread between Bid and Ask Price



Sources: S&P Global, GTCF analysis

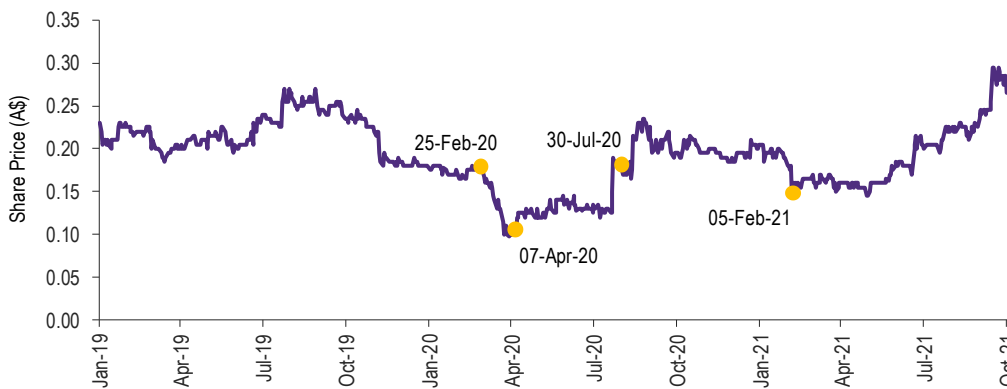
As shown in the graph above, the historical average and median bid-ask spread has been low at 3.2% and 2.8% respectively since October 2021 with spikes above 9.0% in conjunction with large movements in the trading price.

Based on the analysis above, we have concluded that the liquidity in the trading prices of SWK is not low and accordingly it is not unreasonable to rely on the trading prices for the purpose of our cross check.

8.2.2 Analysis of Swick share prices

We have set out below an analysis of the Swick share prices since 1 January 2019 to analyse the performance before and after the outbreak of COVID19.

SWK – Historical share trading price



Source: S&P Global, GTCF Analysis

We note the following four key price sensitive events from the chart above;



- 25 February 2020 – Swick’s Board announced a strategic review to consider the optimal corporate structure for both the Drilling Business and Oreplore as a means to create and deliver shareholder value.
- 7 April 2020 – Trading prices started to recover following the lows from the outbreak of COVID-19 with the Company announcing that 1H20 interim dividend of 0.3 cents per share and an on-market share buy-back program of up to A\$1.0 million worth of shares which gave confidence to the market that the expected impact of COVID-19 was less severe than initially envisaged.
- 30 July 2020 – Swick announced the results of its strategic review which concluded that Oreplore should be demerged at an appropriate point in time in order to deliver the greatest return to shareholders.
- 5 February 2021 – Swick announced that the Board has decided to defer the demerger of Oreplore in order to allow for greater time to seed the commercialisation pathway.
- SWK share price has gradually increased over the past 9 months as the Company has recovered from some of the effects of the COVID-19 pandemic and started to realise some of the benefits of gaining additional contracts, increased volume of rigs in work and revenue diversification through the establishment of Swick Engineering.

We note that the analysis of Swick Share prices is challenging given that Swick is currently in the process of demerging Oreplore, which will be separately listed on the ASX subject of certain conditions precedent being achieved. Swick Shareholders will receive one Oreplore Share for every three Swick Shares. Oreplore will also undertake a Priority Offer to raise between A\$1 million and A\$2.5 million in conjunction with the listing. The Demerger was first announced to the market on 30 July 2020 following the conclusion of the strategic review and accordingly, Swick’s trading prices may reflect some value attributed by investors to Oreplore, however it is not possible to assess the quantum.

We note that Swick has engaged an independent third party valuer to assess the value of Oreplore which has been estimated between A\$45 million and A\$55 million on a 100% basis after the Seed Funding from Swick of A\$12 million and before any additional cash raised from the Priority Offer⁵⁵. However, the Priority Offer will be undertaken at a price of A\$0.25 per Oreplore share with an implied Oreplore market capitalisation of A\$23.5 million (prior to any new Oreplore shares to be issued under the Priority Offer but after the A\$12 million seed funding from Swick).

Based on the above, the potential value of Oreplore included in the trading prices of Swick before the announcement of the Scheme could have ranged between the following:

- A\$nil if the Swick Shareholders attributed no value to this opportunity (Low Case), which in our opinion is unlikely considering the cash invested over the years by Swick to develop Oreplore.
- A\$0.041 per share having regard to the enterprise value implied in the Priority Offer⁵⁶ (Mid Case).

⁵⁵ We note that a revised Independent Valuation for Oreplore was provided with the Addendum to Notice of Meeting announced on the ASX on 7 December 2021, which also concluded on an estimated valuation range between A\$45 million and A\$55 million on a 100% basis.

⁵⁶ Calculated as an enterprise value of Oreplore implied in the Priority Offer of A\$11.5 million (A\$23.5 million less the Swick seed contribution of A\$12 million) divided by 281.7 million Swick Shares on issue as at 30 June 2021.

- Between A\$0.117 and A\$0.153 per share having regard to the enterprise value implied in the independent valuation⁵⁷ (High Case). In our opinion, it is difficult that Oreplore will trade in line with the Independent Valuation at least in the short term and until the commercialisation strategy is proven.

Set out below is a summary of the VWAP before the announcement of the Scheme adjusted for the potential value of Oreplore in conjunction with the three potential cases outlined above compared with the value of the Scheme Consideration.

	VWAP 1 Day	VWAP 10 Day	VWAP 1 Month
SWK Trading prices before the announcement	0.270	0.276	0.271
Low case			
Less: Low case (midpoint) value of Oreplore per share ¹	-	-	-
Implied per share value of the Drilling Business	0.270	0.276	0.271
Fair market value (midpoint) value per share of the Scheme Consideration ²	0.353	0.353	0.353
<i>Premium for control</i>	30.8%	28.0%	30.4%
Mid case			
Less: Mid case (midpoint) value of Oreplore per share ³	0.041	0.041	0.041
Implied per share value of the Drilling Business	0.229	0.235	0.230
Fair market value (midpoint) value per share of the Scheme Consideration ²	0.353	0.353	0.353
<i>Premium for control</i>	54.3%	50.3%	53.6%
High case			
Less: High case (midpoint) value of Oreplore per share ⁴	0.135	0.135	0.135
Implied per share value of the Drilling Business	0.135	0.141	0.136
Fair market value (midpoint) value per share of the Scheme Consideration ²	0.353	0.353	0.353
<i>Premium for control</i>	161.7%	150.5%	159.7%

Source: S&P Global and GTCF analysis

Note (1): Low case based on A\$nil if the Swick Shareholders attributed no value to this opportunity.

Note (2): Midpoint of Low and High Scheme consideration is used.

Note (3): Mid case based on A\$0.041 per share having regard to the enterprise value implied in the Priority Offer.

Note (4): High case based on midpoint of A\$0.135 between A\$0.117 and A\$0.153 having regard to the enterprise value implied in the Independent Valuation of Oreplore.

Depending on the value attributed by Swick Shareholders to Oreplore incorporated into the trading prices before the Scheme, the Scheme Consideration would incorporate a premium for control between 30% and 160% based on the trading price of DDH1 immediately prior to the announced of the Scheme. However, we are of the view that a more reasonable indicator is the premium under the Mid Case of c. 55% which is above the premium for control typically applied in Australia for takeover transactions as set out in Appendix C. This supports our fairness assessment in relation to the Scheme.

⁵⁷ Calculated as an enterprise value of Oreplore between A\$33 million and A\$43 million divided by 281.7 million Swick Shares on issue as at 30 June 2021.

9 Valuation assessment of Consideration

In order to value DDH1 Shares after the Proposed Scheme, we have considered the EBITDA Multiple Approach and the Quoted Security Price Method. A summary of the value of the Scheme Consideration on a minority basis is summarised below.

Valuation assessment of the Scheme Consideration A\$ '000 (except where stated otherwise)	Section Reference	Low	High
FY22 EBITDA approach	9.1	0.322	0.393
Trading prices	9.2	0.342	0.356
Fair Value of the Scheme Consideration		0.332	0.375

Sources: S&P Global, Management, GTCF analysis

In our valuation assessment, we have assumed that Swick Shareholders will be able to realise the DDH1 Shares received as consideration in the short term. The decision to continue to hold DDH1 Shares beyond the short term period following implementation of the Scheme is a separate investment decision which depends on the individual circumstances of Swick Shareholders and accordingly it has not been considered in this Report.

9.1 EBITDA Multiple Approach

In order to arrive at a valuation of DDH1 shares after the Proposed Scheme, we have capitalised FY22 forecast EBITDA of Swick and DDH1 at an appropriate EBITDA multiple to reflect the trading of the Merged Group. In our assessment we have also included the value of the synergies expected to be realised by DDH1. Set out below is a summary of our valuation.

FME Method - valuation summary A\$ '000 (except where stated otherwise)	Section Reference	Low	High
Brokers' assessed FY22 EBITDA - DDH1	9.1.1	83,000	87,000
GT Assessed FY22 EBITDA - Swick	8.1.1	33,000	36,000
Assessed synergies (pre-tax basis)	9.1.2	2,000	5,000
Pro-forma EBITDA		118,000	128,000
Assessed EBITDA Multiple (times)	9.1.3	4.00x	4.50x
Enterprise value (control basis)		472,000	576,000
Add: Net debt Merged Group (post AASB-16)	9.1.4	(12,104)	(12,104)
Add: Other adjusting balances	9.1.4	556	(444)
Add: Surplus assets - DDH1	9.1.5	562	562
Add: Surplus assets - Swick	8.1.3	1,571	1,571
Equity value		462,584	565,584
Number of existing DDH1 shares ('000s)	9.1.6	342,805	342,805
DDH1 shares issued to Swick Shareholders ('000s)	9.1.6	84,248	84,248
Total Merged Entity shares		427,053	427,053
Value per share (A\$ per Share)		1.083	1.324
Exchange Ratio (times)		0.2970	0.2970
Implied value of Consideration (\$)		0.322	0.393

Sources: S&P Global, Management, GTCF analysis

Note: EBITDA and EBITDA multiples prepared on a post-AASB 16 basis. DDH1 surplus assets relate to minority investments in listed and unlisted companies. SWK surplus assets relate to holdings in an unlisted property unit trust.

9.1.1 Assessed FY22 EBITDA – DDH1

We have assessed the FY22 EBITDA of DDH1 based on the broker forecasts as detailed below. Our low and high range is broadly in line with the low and high range of the broker forecasts for DDH1 prior to the announcement of the Proposed Scheme.

DDH1 Broker forecast EBITDA A\$ '000	Report Date	EBITDA
Broker 1	ND	82,700
Broker 2	29/08/2021	87,100
Broker 3	ND	84,900
Broker 4	ND	85,700
Broker 5	29/08/2021	83,900
Low		82,700
High		87,100
Average		84,860
Median		84,900

Source: Various broker reports

In relation to the assessed FY22 EBITDA, we note the following:

- DDH1 is covered by several investment analysts and accordingly the selected FY22 EBITDA is based on a broad spectrum of different views on the future financial performance of the business which mitigates the risk of outliers.
- The mid-point of the selected FY22 EBITDA of A\$85 million represents a growth of 14% compared with FY21 pro-forma EBITDA of A\$74.6 million. The year-on-year growth rate is in line with Swick EBITDA growth between FY22 and FY21 of 14.7%⁵⁸, and lower than the historical EBITDA CAGR achieved by DDH1 of 19% between FY17 and FY21.

9.1.2 Assessed synergies (pre-tax)

In our assessment of the Merged Group, we have included the synergies expected to be realised following implementation of the Scheme. DDH1 has estimated that it will conservatively achieve between A\$2.0 million and A\$5.0 million in synergies per annum (pre-tax and before implementation costs) consisting of corporate cost overhead savings, procurement cost savings, and maintenance savings on rigs from using Swick's in-house engineering functions. DDH1 has also identified a large revenue opportunity to deliver whole of mine specialised drilling services which is not captured in the assessment above.

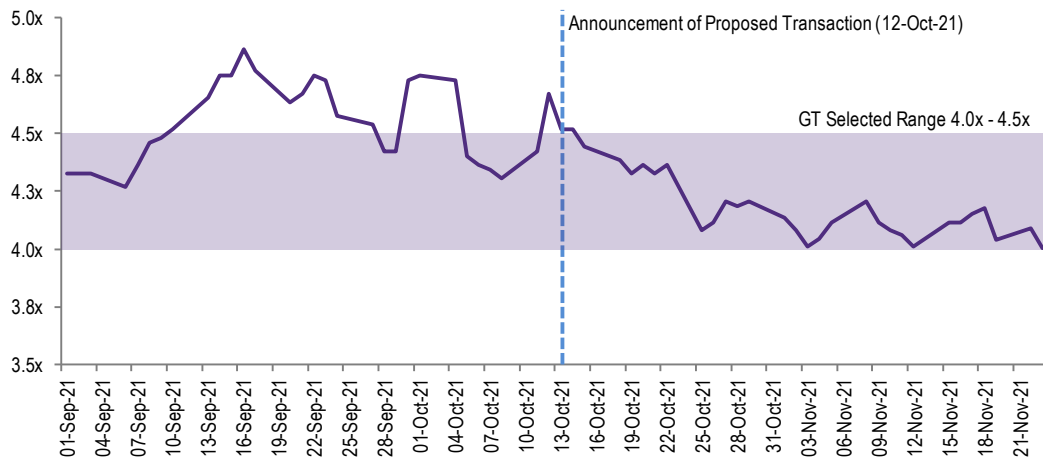
9.1.3 FY22 DDH1 EBITDA multiple

We have adopted an FY22 EV/EBITDA multiple between 4.0x to 4.5x based on the trading multiple of DDH1 after the announcement of the Scheme as summarised in the graph below (on a minority basis).

⁵⁸ Based on broker's forecast.



DDH1 EV/NTM EBITDA and GT selected range



Sources: S&P Global, Management, GTCF analysis

We note that the EBITDA Multiple applied to the Merged Group on a minority basis is higher than the multiple applied to the valuation of Swick before the Scheme on a control basis. We are of the opinion that this is driven by the following:

- DDH1’s size, margins, historical and forecast growth and revenue per rigs are significantly higher than SWK.
- The EBITDA adopted for our valuation assessment is based on the recent trading prices and EBITDA multiple of DDH1 before and after the announcement of the Scheme. This is consistent with our approach to the value of the Scheme Consideration that Swick Shareholders will be able to realise the DDH1 Shares received as consideration in the short.

9.1.4 Merged Entity net debt and other adjustments

Following the implementation of the Scheme, we have estimated the net debt of DDH1 on a post-AASB16 basis to be A\$12.1 million, we have also aggregated other adjusting balances as summarised below.

Net debt and other adjustments A\$ '000 (except where stated otherwise)	Section Reference	Low	High
DDH1 net cash	Note 1	12,371	12,371
Less: Swick net debt	8.1.3	(24,475)	(24,475)
Net debt of combined entity	6.4	(12,104)	(12,104)
Less: Transaction costs	Note 2	(5,000)	(5,000)
Less: Costs of synergy implementation	Note 2	(500)	(1,500)
Add: non-recourse loan	Note 3	6,056	6,056
Net debt and other adjustments		(11,548)	(12,548)

Sources: S&P Global, Management, GTCF analysis

We note the following:

- Note 1: As illustrated in Section 6.4, DDH1 net debt consists of cash of A\$20.0 million, lease liabilities of A\$7.6 million and nil debt. This is calculated on a post-AASB16 basis.

- *Note 2:* We have included transaction costs of A\$5.0 million⁵⁹ as well as one-off implementation costs between A\$0.5 million to A\$1.5 million to realise the synergies of A\$2.0 million to A\$5.0 million.
- *Note 3:* Out of the total shares on issue of DDH1, 13,349,630 are classified as treasury shares as they are backed by a non-recourse loan which will not be paid until these shares are sold. The fair value of the non-recourse loan was A\$6.05 million as at 30 June 2021 which we have taken into account in our valuation assessment.

9.1.5 DDH1 surplus assets

DDH1 has surplus assets, consisting of minority investments in listed and unlisted companies. The fair value of these minority interests was approximately A\$562k as at 30 June 2021.

9.1.6 Merged Entity Shares

The share capital of the Merged Entity is summarised in the table below. Immediately before implementation of the scheme, there will be 283,663,294⁶⁰ Swick Shares on issue which based on the Exchange Ratio of 0.2970 will be exchanged for 84,247,998 DDH1 Shares. When aggregated with the 342,804,678 DDH1 shares on issue, the total number of ordinary shares outstanding for the merged entity is 427,052,676 as outlined in the table below.

Number of ordinary shares '000	Section Reference	Number of shares
Total number of ordinary SWK shares outstanding	8.4.1	283,663
New DDH1 shares held by Swick Shareholders ¹	6.7	84,248
Total number of ordinary DDH1 shares outstanding	6.7	342,805
Total number of ordinary shares outstanding		427,053

Sources: S&P Global, Management, GTCF analysis

Note (1): New DDH1 shares held by Swick shareholders is calculated as 283,663,294 * the merger ratio of 0.297.

9.2 Quoted Security Pricing Method

As discussed in Section 9.0 of this Report, we have also used the Quoted Security Price Method to assess the fair market value of the Scheme Consideration. As Swick Shareholders will collectively own 19.7% of the Merged Entity and no individual Swick Shareholder will own a significant interest in the Merged Entity (on a fully diluted basis), we have assessed the value of the Scheme Consideration on a minority basis having regard to DDH1's trading price after the announcement of the Scheme.

9.2.1 Liquidity analysis

In accordance with the requirements of RG 111, we have also analysed the liquidity of DDH1 Shares before relying on them for the purpose of our valuation assessment. We set out below the monthly trading volume of DDH1 shares since March 2021⁶¹ as a percentage of the total shares outstanding as well as free float shares outstanding⁶².

⁵⁹ As disclosed by DDH1.

⁶⁰ Including the 1,922,672 performance rights.

⁶¹ DDH1 listed on the ASX on 9 March 2021.

⁶² Free float shares excludes those owned by company employees, individual insiders, related parties and/or other strategic investors.

Month end	Volume traded ('000)	Monthly VWAP (\$)	Total value of shares traded (\$'000)	Volume traded as % of total shares	Cumulative Volume traded as % of total shares	Volume traded as % of free float shares	Cumulative Volume traded as % of free float shares
Mar 2021	23,403	0.9067	21,221	6.8%	6.8%	18.1%	18.1%
Apr 2021	15,466	1.0396	16,078	4.5%	11.3%	12.0%	30.1%
May 2021	10,279	1.0288	10,575	3.0%	14.3%	7.9%	38.0%
Jun 2021	3,420	1.1375	3,890	1.0%	15.3%	2.6%	40.6%
Jul 2021	6,286	1.1442	7,193	1.8%	17.2%	4.9%	45.5%
Aug 2021	7,781	1.1630	9,049	2.3%	19.4%	6.0%	51.5%
Sep 2021	31,398	1.1296	35,467	9.5%	29.0%	25.3%	76.8%
Oct 2021	15,217	1.1707	17,815	4.6%	33.6%	12.2%	89.0%
Min				1.0%		2.6%	
Average				4.2%		11.1%	
Median				3.8%		10.0%	
Max				9.5%		25.3%	

Sources: S&P Global, GTCF analysis

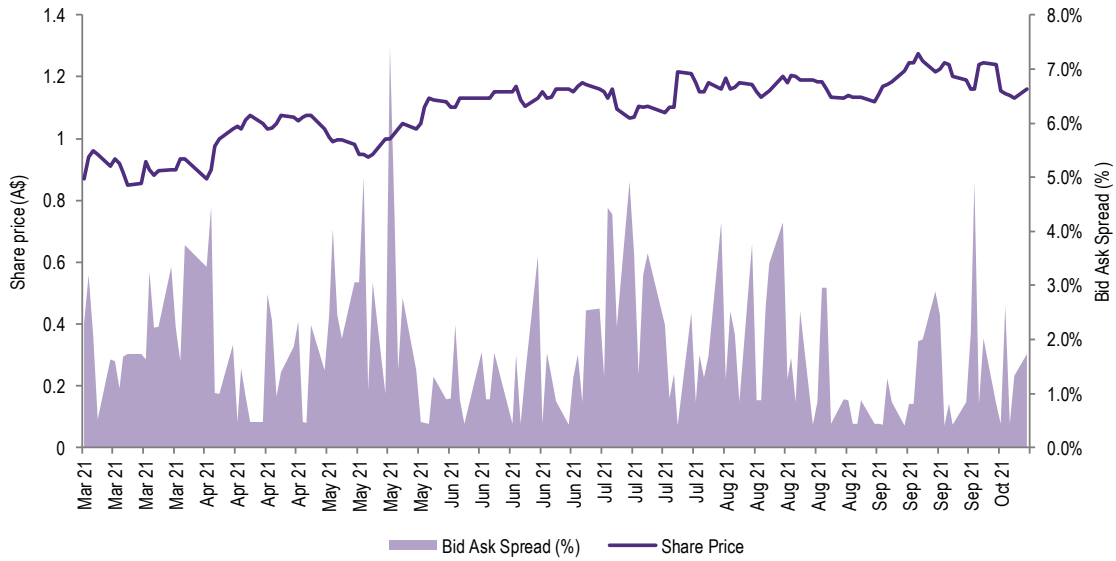
With regard to the above analysis, we note that:

- The level of free float of DDH1 is low at 37.7% given that Oaktree Capital Management holds c. 23.0% of issued capital, with the top 10 shareholders holding in excess of 53.0% of the shares on issue.
- Between listing on the ASX in March 2021 and the announcement of entering into the Scheme Implementation Deed, 89.0% of the free float shares were traded with an average monthly volume of 11.1% of the total free float shares.
- In the absence of a takeover or other share offers, the trading price represents the value at which minority shareholders could realise their portfolio investment.
- DDH1 complies with the full disclosure regime required by the ASX. As a result the market is fully informed about the performance of DDH1. DDH1 provides updates to the market on a regular basis with information regarding its investment strategy and performance. As a result, there is extensive analysis provided to the market not only about DDH1's performance and market standing, but also regarding industry trends.
- Given the relatively high degree of institutional interest, DDH1 is also covered by multiple brokers who provide updates, forecasts and commentary on the financial performance and announcements of DDH1.

Similarly to SWK, we have set out below the bid and ask price for DDH1 since listing.



DDH1 Spread between Bid and Ask Price



Sources: S&P Global, GTCF analysis

As set out in the graph above, we note that historical average and median bid-ask spread has been 1.8% and 1.5% respectively since March 2021 with spikes above 7.0% in conjunction with large movements in the trading price.

Based on the analysis above, we conclude that the liquidity in DDH1 shares is reasonable.

9.2.2 Assessment of VWAP

Set out below is a summary of the VWAP of DDH1 after the announcement of the Initial Proposal on the 12 October 2021.

VWAP - DDH1	Low	High	VWAP
Up to 23 Nov 2021			
1 day	1.130	1.190	1.167
5 day	1.130	1.210	1.167
10 day	1.130	1.210	1.163
1 month	1.130	1.225	1.165
From 12 Oct 2021	1.130	1.240	1.172

Source: S&P Global and GTCF analysis

In addition to the table above, we note the following:

- The median and average broker consensus target share price for DDH1 is currently A\$1.61⁶³ and A\$1.60 respectively.

⁶³ This relates to 4 brokers.

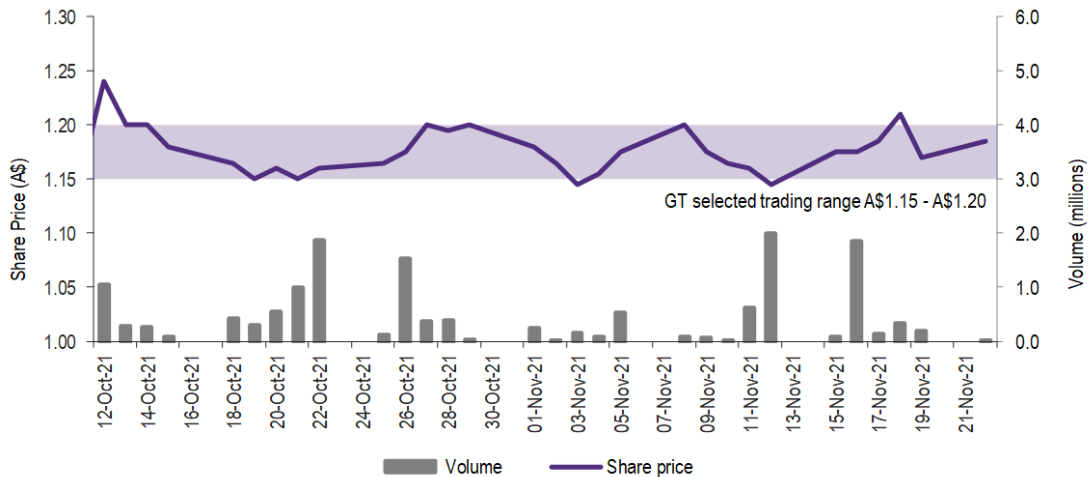


- The share price has traded within a relatively narrow band of A\$1.15 to A\$1.24⁶⁴ since the announcement of the Scheme. Apart from the day after the announcement of the Proposed Scheme, when the share price traded at A\$1.24, trading prices have remained between A\$1.14 and A\$1.20 and the VWAP since the announcement of the Scheme is A\$1.17.

Based on the above discussions and analysis, we have assessed the fair market value of DDH1 shares after the announcement of the Scheme as a proxy for the value of the Scheme Consideration based on the trading price between A\$1.15 and A\$1.20 on a minority basis.

We have set out below the historical share price of DDH1 shares since the announcement of the Proposed Scheme and our assessed trading price range:

Closing share price of DDH1 (since the announcement of the Proposed Scheme)



Source: S&P Global, GTCF analysis

Based on Scheme Exchange Ratio of 0.2970 DDH1 Share for each Swick Share held, we have summarised below the value of the Scheme Consideration implied into the trading price of DDH1 after the announcement of the Scheme.

Share price approach A\$ '000 (except where stated otherwise)	Section Reference	Low	High
Assessed share price	9.2.1	1.15	1.20
Merger ratio		0.297	0.297
Value of the Scheme Consideration under the QSPM		0.342	0.356

Source: S&P Global, GTCF analysis

⁶⁴ The dividend declared following FY18 was 8.0 cents.



Sources of information, disclaimer and consents

9.3 Sources of information

In preparing this report Grant Thornton Corporate Finance has used various sources of information, including:

- Scheme Implementation Agreement;
- Scheme Booklet;
- Annual reports / consolidated accounts of SWK for FY18, FY19, FY20 and FY21;
- Annual reports and prospectus of DDH1
- Revenue and costs details obtained from Management;
- FY22 Internal Projection pack and minutes of Board meetings;
- Press releases and announcements by SWK and DDH1 to the ASX;
- Management accounts from FY19 to YTD October 2021;
- Management and board reports for the last 6 months before the announcement of the Scheme;
- S&P Global;
- IBISWorld reports
- Various industry and broker reports; and,
- Other publicly available information;
- In preparing this report, Grant Thornton Corporate Finance has also held discussions with, and obtained information from, Management of SWK and DDH1 and its advisers.

9.4 Limitations and reliance on information

This report and 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.

Grant Thornton Corporate Finance has prepared this report on the basis of financial and other information provided by the Company, and publicly available information. Grant Thornton Corporate Finance has considered and relied upon this information. Grant Thornton Corporate Finance has no reason to believe that any information supplied was false or that any material information has been withheld. Grant Thornton Corporate Finance has evaluated the information provided by the Company through inquiry, analysis and review, and nothing has come to our attention to indicate the information provided was materially misstated or would not afford reasonable grounds upon which to base our report. Nothing in this report

should be taken to imply that Grant Thornton Corporate Finance has audited any information supplied to us, or has in any way carried out an audit on the books of accounts or other records of the Company.

This report has been prepared to assist the Directors of Swick in advising the Swick Shareholders in relation to the Scheme. This report should not be used for any other purpose. In particular, it is not intended that this report should be used for any purpose other than as an expression of Grant Thornton Corporate Finance's opinion as to whether the Scheme is in the best interest of Swick Shareholders.

Swick has indemnified Grant Thornton Corporate Finance, its affiliated companies and their respective officers and employees, who may be involved in or in any way associated with the performance of services contemplated by our engagement letter, against any and all losses, claims, damages and liabilities arising out of or related to the performance of those services whether by reason of their negligence or otherwise, excepting gross negligence and wilful misconduct, and which arise from reliance on information provided by the Company, which the Company knew or should have known to be false and/or reliance on information, which was material information the Company had in its possession and which the Company knew or should have known to be material and which did not provide to Grant Thornton Corporate Finance. The Company will reimburse any indemnified party for all expenses (including without limitation, legal expenses) on a full indemnity basis as they are incurred.

9.5 Consents

Grant Thornton Corporate Finance consents to the issuing of this report in the form and context in which it is included in the Scheme Booklet to be sent to Swick Shareholders. Neither the whole nor part of this report nor any reference thereto may be included in or with or attached to any other document, resolution, letter or statement without the prior written consent of Grant Thornton Corporate Finance as to the form and context in which it appears.



Appendix A – Valuation methodologies

Capitalisation of future maintainable earnings

The capitalisation of future maintainable earnings multiplied by appropriate earnings multiple is a suitable valuation method for businesses that are expected to trade profitably into the foreseeable future. Maintainable earnings are the assessed sustainable profits that can be derived by a company's business and excludes any abnormal or "one off" profits or losses.

This approach involves a review of the multiples at which shares in listed companies in the same industry sector trade on the share market. These multiples give an indication of the price payable by portfolio investors for the acquisition of a parcel shareholding in the company.

Discounted future cash flows

An analysis of the net present value of forecast cash flows or DCF is a valuation technique based on the premise that the value of the business is the present value of its future cash flows. This technique is particularly suited to a business with a finite life. In applying this method, the expected level of future cash flows are discounted by an appropriate discount rate based on the weighted average cost of capital. The cost of equity capital, being a component of the WACC, is estimated using the Capital Asset Pricing Model.

Predicting future cash flows is a complex exercise requiring assumptions as to the future direction of the company, growth rates, operating and capital expenditure and numerous other factors. An application of this method generally requires cash flow forecasts for a minimum of five years.

Orderly realisation of assets

The amount that would be distributed to shareholders on an orderly realisation of assets is based on the assumption that a company is liquidated with the funds realised from the sale of its assets, after payment of all liabilities, including realisation costs and taxation charges that arise, being distributed to shareholders.

Market value of quoted securities

Market value is the price per issued share as quoted on the ASX or other recognised securities exchange. The share market price would, prima facie, constitute the market value of the shares of a publicly traded company, although such market price usually reflects the price paid for a minority holding or small parcel of shares, and does not reflect the market value offering control to the acquirer.

Comparable market transactions

The comparable transactions method is the value of similar assets established through comparative transactions to which is added the realisable value of surplus assets. The comparable transactions method uses similar or comparative transactions to establish a value for the current transaction.

Comparable transactions methodology involves applying multiples extracted from the market transaction price of similar assets to the equivalent assets and earnings of the company. The risk attached to this valuation methodology is that in many cases, the relevant transactions contain features that are unique to that transaction and it is often difficult to establish sufficient detail of all the material factors that contributed to the transaction price.



Appendix B – Comparable companies

Company	Description
Mitchell Services Limited	Mitchell Services Limited, together with its subsidiaries, provides exploration and mine site drilling services to the exploration, mining, and energy industries, primarily in Australia. The company provides coal exploration, mineral exploration, mine services, drill and blast, underground, large diameter, coal seam gas, directional drilling services, coal mine gas drainage, and wireline services. It was formerly known as Drill Torque Limited and changed its name to Mitchell Services Limited in December 2013. The company was founded in 1969 and is headquartered in Seventeen Mile Rocks, Australia.
Perenti Global Limited	Perenti Global Limited operates as a mining services company worldwide. It operates through Surface Mining, Underground Mining, and Investment segments. The Surface Mining segment offers exploration drilling, production drilling, blasting, and geotechnical services, as well as end-to-end contract surface mining; and logistics management and moving mining equipment and goods. The Underground Mining segment provides underground mining services specializing in mine development, production, diamond drilling, vertical development, design planning and scheduling, and equipment supply and maintenance. The Investments segment is involved in mining supplies; and mining support services, including equipment hire, equipment parts and sales, and mineral analysis. The company was formerly known as Ausdrill Limited and changed its name to Perenti Global Limited in October 2019. Perenti Global Limited was founded in 1967 and is headquartered in Perth, Australia.
MACA Limited	MACA Limited engages in the contract mining, civil and infrastructure, and structural, mechanical, and piping businesses in Australia and Cambodia. It offers bulk commodities loading and hauling services; drilling and blasting services, including production drilling and blasting for surface mining operations or quarries, pre-split drilling, contour drilling and pioneering, blast hole sample drilling, probe drilling, pre-split and final wall blasting, drill and blast design, blasting solutions for civil construction, and controlled blasting; and materials handling services. The company also engages in the road construction and maintenance; parks and gardens management; vegetation management; and provision of bridge works, which include clearing existing vegetation and topsoil, foundation compaction, embankment construction, stormwater drainage installation and pavement construction, bituminous surfacing and guardrails, and rehabilitation and piling works, as well as reinforced concrete works, and heavy lifts and safety barrier works. In addition, it is involved in the civil construction, bulk earthworks, aerodromes, drainage activities, as well as provides small to large scale SMP projects, new and refurbished plant and equipment, and consumables to the mineral processing, energy, and resource sectors. The company was founded in 2002 and is headquartered in Welshpool, Australia.
Macmahon Holdings Limited	Macmahon Holdings Limited provides mining and civil construction services to mining companies in Australia, Southeast Asia, and South Africa. The company operates in three segments: Surface Mining, Underground Mining, and International Mining. Its surface mining services include mine planning and analysis, drill and blast, bulk and selective mining, crushing and screening, fixed plant maintenance, water management, and equipment operation and maintenance. The company also provides underground mining services, including mine development and production, raise and production drilling, cable bolting, shotcreting, remote shaft lining, and shaft sinking. In addition, it offers topsoil and overburden stripping, bulk earthworks, road design and construction, and train loading facilities; water infrastructure, including dams, creek diversions, flood levies, and drainage structures; revegetation; non-process infrastructure, as well as rehabilitation monitoring and maintenance; and engineering services comprising shaft lining and maintenance, emergency egress system, pump stations and rising mains, and sire workshops and infrastructure, as well as conveying, crushing, materials handling. Further, the company provides equipment maintenance and management support services; and advisory operational improvement services, which include operator coaching and training, and cultural change programs for employees, as well as advisory and assistance services with mine planning, maintenance, and employee engagement. Macmahon Holdings Limited was incorporated in 1963 and is headquartered in Perth, Australia.
Dynamic Drill and Blast Holdings Limited	Dynamic Drill and Blast Holdings Limited provides drilling and blasting services for mining and construction sectors in Western Australia. The company was incorporated in 2020 and is based in Wangara, Australia.
Major Drilling Group International Inc.	Major Drilling Group International Inc. provides contract drilling services for mining and mineral exploration companies in Canada, the United States, Mexico, South America, Asia, Africa, and Australia. The company offers a suite of drilling services, including surface and underground coring, directional, reverse circulation, sonic, geotechnical, environmental, water-well, coal-bed methane, shallow gas, underground percussive/longhole drilling, surface drill and blast, and various mine services. As of April 30, 2021, it had 588 drill rigs. Major Drilling Group International Inc. was founded in 1980 and is headquartered in Moncton, Canada.
Geodrill Limited	Geodrill Limited, together with its subsidiaries, provides mineral exploration drilling services to mining companies in West Africa, Zambia, and Peru. It offers reverse circulation, core, air-core, deep directional, reverse circulation grade control, water borehole, underground, mine blast hole, and horizontal drilling services. The company operates a fleet of multi-purpose, core, air-core, grade control, and underground drill rigs; boosters and auxiliary compressors; and various support vehicles, such as pick-up, MAN, and other trucks, as well as purpose-built crawler-mounted support vehicles and bell tractors. As of December 31, 2020, it operated a fleet of 68 drill rigs. The company was incorporated in 1998 and is headquartered in Douglas, Isle of Man.
Capital Limited	Capital Limited, together with its subsidiaries, provides various drilling solutions to customers in the minerals industry. It offers exploration drilling services, including air core, reverse circulation, diamond core, deep hole diamond, directional, and underground diamond drilling; mineral geochemical analysis laboratory services; and grade control drilling services, such as advanced/deep grade control, shallow grade control, reverse circulation, and underground diamond drilling. The company also provides blast hole drilling services that include pre-splits, down the hole, and rotary top hammer services; load and haul, rehandling, equipment hire and maintenance, and management services; and hydraulic, general maintenance and fabrication, mining supplies, asset rentals, and asset and component rebuild services. In addition, it offers de-watering, reverse circulation, core orientation, rig alignment, borehole management, geophysical logging, and magnetic survey cameras. Further, the company provides equipment rental and IT support services. It also operates fleet of 99 rigs, including 34 diamond core rigs, 4 air core rigs, 20 reverse circulation/grade control rigs, 32 blast hole rigs, and 9 underground rigs. The company was formerly known as Capital Drilling Limited and changed its name to Capital Limited in June 2020. Capital Limited was founded in 2004 and is headquartered in Ebene, Mauritius.
Boart Longyear Group Ltd.	Boart Longyear Group Ltd provides drilling services, drilling equipment, and performance tooling for mining and mineral drilling companies in North America, the Asia Pacific, Latin America, Europe, the Middle East, and Africa. The company operates through two segments, Global Drilling Services and Global Products. It offers diamond coring exploration, reverse circulation, large diameter rotary, mine dewatering, water supply drilling, pump services, production, and sonic drilling services. The company also manufactures, markets, and services drill rigs, drill string products, rugged performance tooling, durable drilling consumables, and parts. In addition, it utilizes scanning technology and down-hole instrumentation tools to capture detailed geological data from drilled core and chip samples. The company was founded in 1890 and is headquartered in West Valley City, Utah.
Orbit Garant Drilling Inc.	Orbit Garant Drilling Inc. provides mineral drilling services in Canada, the United States, South America, and West Africa. It provides underground and surface diamond drilling services to mining companies through various stages of mineral exploration, mine development, and production. The company also offers geotechnical and water drilling services to mining or mineral exploration companies, engineering and environmental consultant firms, and government agencies. In addition, it manufactures and sells conventional and specialized drill rigs. As of June 30, 2021, the company operated 223 drill rigs, including 101 underground drills and 122 drill rigs. Orbit Garant Drilling Inc. was founded in 1965 and is headquartered in Val-d'Or, Canada.
Foraco International SA	Foraco International SA, together with its subsidiaries, provides drilling services worldwide. It operates through Mining and Water segments. The company offers its drilling services to the mining and energy industry, such as exploration, development, and production related underground water drilling services. It also drills wells for drinking, irrigation, industrial water, and dewatering wells; and undertakes a range of projects, including village water drilling programs, specialized drilling projects to access mineral water using sanitary protection methods, and large diameter well fields for residential supply in urban environments, as well as provides inspection, servicing, and rehabilitation services for existing wells. As of December 31, 2020, the company operated 302 drill rigs, including 62 rotary drilling rigs, 190 core diamond drilling rigs, 18 combination rigs, and 32 underground rigs. It serves mining companies, governmental organizations, and international development funds. The company was incorporated in 1997 and is headquartered in Marseille, France.

Sources: S&P Global.



Appendix C – Premium for control study

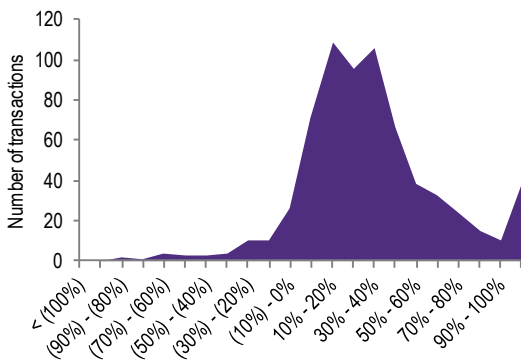
A control premium is defined as the additional consideration an investor would pay over a marketable minority equity value in order to own a controlling interest in the common stock of a company.

We have conducted a study of premiums paid in 667 Australian transactions completed between June 2000 and September 2019. We have sourced our transaction data from S&P Global and Mergermarket.

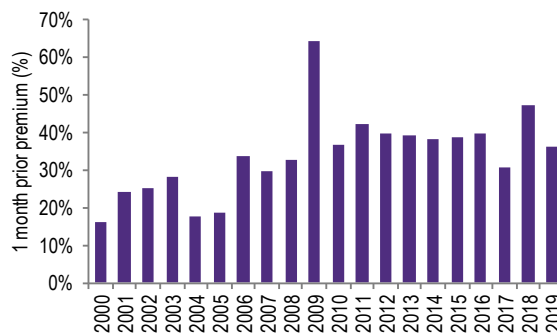
Our assessment of the premiums involve comparing the offer price of the closing price of the target company, one month prior to the date of the announcement of the offer. Where the consideration included shares in the acquiring company, we used the closing share price of the acquiring company on the day prior to the offer.

The following charts and tables illustrates the premiums paid on transactions between June 2000 and September 2019.

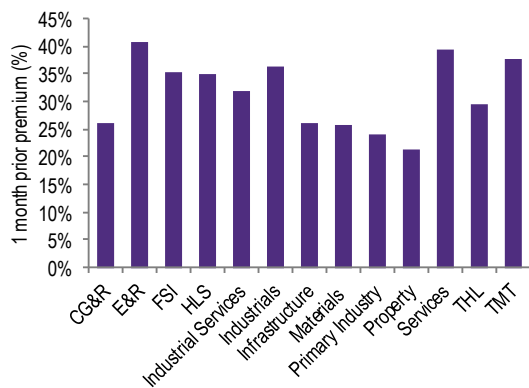
1 Month Prior Control Premium



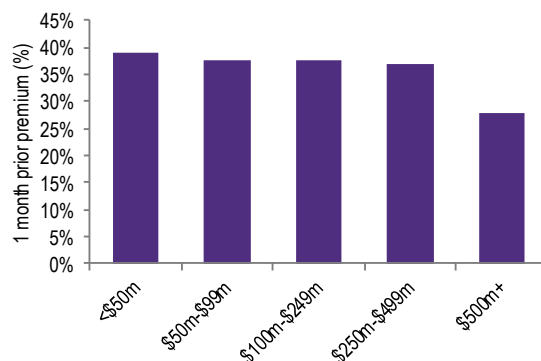
Control premium per completion date



Control premium per industry



Control premium and size



Control premium study	
	1 month prior control premium (%)
Average	35.13%
Median	29.87%

Sources: S&P Global, Merger Market, GTCF analysis



Appendix D – Glossary

A\$	Australian dollars
APES 255	Accounting Professional and Ethical Standard 225 "Valuation Services"
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
C.	Circa
CA\$	Canadian dollars
CAGR	Compound annual growth rate
Corporations Act	Corporations Act 2001
DCF Method	Discounted Cash Flows Methodology
DDH1	DDH1 Limited
Demerger	Subject to approval of the Requisite Majority of Swick Shareholders at the Demerger Meeting, the demerger of the Orexplore Business to be implemented pursuant to the Demerger Agreement, under which the Orexplore Business will be transferred to Orexplore, which will, in turn, seek admission to the official list of ASX.
Drilling Business	Swick's underground drilling business
Drilling Peers	Drilling peers consist of Perenti, Geodrill, Capital Limited and Mitchell Services
E-Rig	Swick's Gen3 E-Rig
FIRB	Foreign Investment Review Board
FSG	Financial Services Guide
FTE	Full time equivalent
Futures	Swick's Future of Drilling department
FVOCI	Fair Value through Other Comprehensive Income
FY22 Internal Projection	Swick managements internal projection for FY22
GTCF, Grant Thornton, or Grant Thornton Corporate Finance	Grant Thornton Corporate Finance Pty Ltd (CAN 003 265 987)
IER	Independent Expert Report
Indicative Proposal	Conditional, non-binding indicative proposal to merge Swick and DDH1 by way of Scheme of Arrangement
K-Drill	K-Drill Pty Ltd and their related entities
MATSA	Minas de Aguas Tenidas
Merged Entity	The corporate group comprising DDH1 and its Subsidiaries, including the Swick Group, if the Scheme is implemented
NPATA	Net profit after tax and amortisation
Orexplore	Swick's Mineral Technology Business
Pop	Prior corresponding period
PPE	Property, Plant and Equipment
Priority Offer	In conjunction with the listing, Orexplore will undertake a priority offer to raise between A\$1 million and A\$2.5 million of additional equity at a price of A\$0.25 per share ("Priority Offer").
RC	Swick's Surface Reverse Circulation Division
RCD	Remote Control Drilling
RG 111	ASIC Regulatory Guide 111 "Contents of expert reports"
RG 112	ASIC Regulatory Guide 111 "Independence of experts"
RG60	ASIC Regulatory Guide 60 "Scheme of Arrangement"
Scheme Consideration	Under the Scheme, Swick shareholders will receive 0.2970 DDH1 shares as consideration for each Swick share held by them
Scheme or the Proposed Scheme	The scheme of arrangement under Part 5.1 of the Corporations Act between Swick and the Scheme Shareholders, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by DDH1 and the Swick
Seed Funding	Swick has committed to seed fund Orexplore with A\$12 million immediately before completion of the Demerger
SIA	Scheme Implementation Agreement
Swick or the Company	Swick Mining Services Limited
Swick Share	A fully paid ordinary share in the capital of Swick
Swick Shareholders	Each person who is registered in Swick Share Register from time to time as the holder of a Swick Share

ANNEXURE B

SCHEME OF ARRANGEMENT



Scheme of Arrangement

Pursuant to section 411 of the Corporations Act

Swick Mining Services Ltd

Target

Each person registered in the Target Share Register as a holder of Scheme Shares as at the Record Date

Clayton Utz
Level 27 QV.1
250 St Georges Terrace
Perth WA 6000
GPO Box 9806
Perth WA 6848
Tel +61 8 9426 8000
Fax +61 8 9481 3095
www.claytonutz.com

Contents

1.	Definitions and interpretation	1
1.1	Definitions	1
1.2	Interpretation.....	4
1.3	Business Day.....	4
2.	Conditions precedent	4
2.1	Conditions.....	4
2.2	Certificates in relation to Conditions	5
2.3	Conclusive evidence.....	5
2.4	Termination of Implementation Agreement	5
3.	Scheme	5
3.1	Effective Date of this Scheme	5
3.2	End Date	6
4.	Implementation of Scheme	6
4.1	Lodgement of Court Orders with ASIC	6
4.2	Transfer of Scheme Shares.....	6
4.3	Provision of Scheme Consideration	6
4.4	Joint holders	7
4.5	Unclaimed monies	7
4.6	Orders of a court or Regulatory Authority.....	7
4.7	Fractional entitlements and share splitting or division	8
4.8	Binding instruction or notifications	8
4.9	Ineligible Overseas Shareholders.....	9
4.10	Status of New Bidder Shares	9
5.	Dealings in Target Shares	10
5.1	Determination of Scheme Shareholders.....	10
5.2	Target Share Register	10
5.3	Information to be made available to the Bidder.....	10
5.4	Effect of share certificates and holding statements.....	10
5.5	No disposals after Record Date.....	10
6.	Suspension and termination of quotation.....	10
7.	General Scheme provisions.....	11
7.1	Appointment of agent and attorney	11
7.2	Enforcement of Deed Poll.....	11
7.3	Scheme Shareholders' consent.....	11
7.4	Scheme Shareholder's agreements and warranties.....	11
7.5	Title to Scheme Shares and transfer free from Encumbrance	12
7.6	Appointment of the Bidder Nominee as sole proxy	12
7.7	Consent to alterations.....	13
7.8	Notices	13
7.9	Inconsistencies	13
7.10	Further assurance.....	13
7.11	No liability when acting in good faith	13
7.12	Stamp duties.....	13
7.13	Governing law and jurisdiction.....	13

Scheme of arrangement made under section 411 of the Corporations Act 2001 (Cth)

Date

Parties

Swick Mining Services Ltd ACN 112 917 905 of 64 Great Eastern Highway, South Guildford WA 6055 (**Target**)

Each person registered in the Target Share Register as a holder of Scheme Shares as at the Record Date

Background

- A. The Target is a public company limited by shares, incorporated in Australia and has been admitted to the official list of ASX.
- B. The Bidder is a public company limited by shares, incorporated in Australia and has been admitted to the official list of ASX.
- C. The Bidder Nominee (a wholly owned Subsidiary of the Bidder) is a proprietary company limited by shares and has been incorporated in Australia.
- D. The Target, the Bidder and the Bidder Nominee have entered into the Implementation Agreement, pursuant to which, amongst other things, the Target has agreed to propose this Scheme, and each of the Target, the Bidder and the Bidder Nominee has agreed to take certain steps to give effect to this Scheme.
- E. If this Scheme becomes Effective, the Bidder Nominee will acquire all of the Scheme Shares and the Target will enter the Bidder Nominee in the Target Share Register as the holder of the Scheme Shares.

Operative provisions

1. Definitions and interpretation

1.1 Definitions

In this Scheme, unless the contrary intention appears or the context requires otherwise:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or, as the context requires, the financial market operated by it known as the Australian Securities Exchange.

Bidder means DDH1 Limited ACN 636 677 088 of 21 Baile Road, Canning Vale WA 6155.

Bidder Nominee means DDH1 FinCo Pty Ltd ACN 625 961 980 of 21 Baile Road, Canning Vale WA 6155.

Bidder Share Register means the register of members of the Bidder maintained by or on behalf of the Bidder in accordance with section 168(1) of the Corporations Act.

Bidder Share Registry means Computershare Investor Services Pty Limited ACN 078 279 277.

Bidder Shares means fully paid ordinary shares in the capital of the Bidder.

Business Day means a day that is not a Saturday, Sunday or public holiday and on which banks are open for business generally in Perth, Western Australia.

CHESS means the clearing house electronic sub-register system for the electronic transfer of securities operated by ASX Settlement Pty Limited ABN 49 008 504 532.

Condition means each condition to this Scheme set out in clause 2.1.

Corporations Act means the Corporations Act 2001 (Cth).

Court means the Supreme Court of Western Australia or such other court of competent jurisdiction as the Target and the Bidder agree in writing.

Deed Poll means the deed poll dated 15 December 2021 executed by the Bidder and Bidder Nominee in favour of the Scheme Shareholders (subject to any amendments permitted by its terms).

Delivery Time means 8:00 am on the Second Court Date.

Effective means, when used in relation to this Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to this Scheme.

Effective Date means the date on which this Scheme becomes Effective.

Eligible Scheme Shareholder means a Scheme Shareholder other than an Ineligible Overseas Shareholder. **Encumbrance** means a mortgage, charge, pledge, lien, encumbrance, security interest, title retention, preferential right, trust arrangement, contractual right of set-off, or any other security agreement or arrangement in favour of any person, whether registered or unregistered, including any Security Interest.

End Date means the date that is 6 months after the date of the Implementation Agreement or such other date agreed in writing between the Target and the Bidder.

Implementation Agreement means the Scheme Implementation Agreement dated 21 October 2021 between the Target, the Bidder and the Bidder Nominee under which, amongst other things, the Target has agreed to propose this Scheme, and each of the Target and the Bidder has agreed to take certain steps to give effect to this Scheme.

Implementation Date means the date that is 5 Business Days after the Record Date or such other date as the Target and the Bidder agree in writing or as ordered by the Court.

Ineligible Overseas Shareholder means a Scheme Shareholder whose address shown in the Target Share Register on the Record Date is a place outside Australia and its external territories and New Zealand, unless the Target determines that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with New Bidder Shares when the Scheme becomes Effective.

Listing Rules means the official listing rules of ASX.

New Bidder Shares means fully paid ordinary shares in the capital of the Bidder to be provided to Scheme Shareholders under the Scheme.

Record Date means 5:00 pm on the date that is 5 Business Days after the Effective Date or such other time and date agreed in writing between the Target and the Bidder.

Registered Address means in relation to a Target Shareholder, the address shown in the Target Share Register.

Regulatory Authority means:

- (a) any government or local authority, any department, minister or agency of any government and any other governmental, administrative, fiscal, monetary or judicial body; and
- (b) any other authority, agency, commission or similar entity having powers or jurisdiction under any law or regulation or the listing rules of any recognised stock or securities exchange.

Related Body Corporate has the meaning given to that term in section 50 of the Corporations Act.

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between the Target and the Scheme Shareholders as set out in this document, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act and agreed to by the Target and the Bidder.

Scheme Booklet means the Scheme Booklet to be prepared by the Target pursuant to section 412 of the Corporations Act in respect of the Scheme in accordance with the terms of the Implementation Agreement and to be despatched to Target Shareholders.

Scheme Consideration means the consideration to be provided to Scheme Shareholders for the transfer to the Bidder of their Scheme Shares comprising of the Share Consideration subject to the terms of this Scheme.

Scheme Meeting means the meeting of Target Shareholders to be convened pursuant to section 411(1) of the Corporations Act to consider and, if thought fit, to approve the Scheme.

Scheme Share means a Target Share on issue as at the Record Date, other than any Target Shares held by the Bidder or the Bidder Nominee as at the Record Date.

Scheme Shareholder means each person registered in the Target Share Register as a holder of Scheme Shares as at the Record Date.

Scheme Transfer means one or more proper instruments of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be or include a master transfer of all or part of the Scheme Shares.

Second Court Date means the first day of the hearing of an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving this Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

Security Interest has the meaning given in section 12 of the Personal Properties Securities Act 2009 (Cth).

Share Consideration means the New Bidder Shares which a Scheme Shareholder is entitled to receive as the Scheme Consideration being 0.2970 New Bidder Shares for each Scheme Share.

Subsidiary has the meaning given to it in the Corporations Act.

Target Share Register means the register of members of the Target maintained by or on behalf of the Target in accordance with section 168(1) of the Corporations Act.

Target Share Registry means Automic Pty Ltd ACN 152 260 814.

Target Shareholder means a person who is registered in the Target Share Register as a holder of Target Shares.

Target Shares means fully paid ordinary shares in the capital of the Target.

1.2 Interpretation

In this Scheme headings and labels used for definitions are for convenience only and do not affect interpretation and, unless the contrary intention appears:

- (a) a word importing the singular includes the plural and vice versa, and a word of any gender includes the corresponding words of any other gender;
- (b) the word **including** or any other form of that word is not a word of limitation;
- (c) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (d) a reference to a **person** includes an individual, the estate of an individual, a corporation, an authority, an association or parties in a joint venture, a partnership and a trust;
- (e) a reference to a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
- (f) references to paragraphs or clauses are to a paragraph or clause of this Scheme;
- (g) a reference to a document (including this Scheme) is to that document as varied, novated, ratified or replaced from time to time;
- (h) a reference to an agency or body if that agency or body ceases to exist or is reconstituted, renamed or replaced or has its powers or function removed (**obsolete body**), means the agency or body which performs most closely the functions of the obsolete body;
- (i) a reference to a statute includes any regulations or other instruments made under it (**delegated legislation**) and a reference to a statute or delegated legislation or a provision of either includes consolidations, amendments, re-enactments and replacements;
- (j) if a word or phrase is not given a defined meaning in clause 1.1 but is defined in or for the purposes of the Corporations Act, it has the same meaning when used in this Scheme;
- (k) a reference to a date or time is to that date or time in Perth, Australia; and
- (l) this Scheme or any clause in this Scheme must not be construed adversely to a party just because that party prepared it or caused it to be prepared.

1.3 Business Day

Except where otherwise expressly provided, where under this Scheme the day on which or by which any act, matter or thing is to be done is a day other than a Business Day, such act, matter or thing shall be done on the immediately preceding Business Day.

2. Conditions precedent

2.1 Conditions

This Scheme is conditional on the satisfaction of each of the following Conditions, and will have no force or effect until each of the following Conditions is satisfied:

- (a) as at the Delivery Time, each of the conditions set out in clause 3.1 of the Implementation Agreement (other than the condition relating to the approval of the Court set out in clause 3.1(b) of the Implementation Agreement) has been satisfied or waived in accordance with the terms of the Implementation Agreement;
- (b) as at the Delivery Time, neither the Implementation Agreement nor the Deed Poll has been terminated;
- (c) the Court approves this Scheme under section 411(4)(b) of the Corporations Act including any alterations made or required by the Court under section 411(6) of the Corporations Act as are acceptable to the Target and the Bidder (each acting reasonably);
- (d) such other Conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme as are acceptable to the Target and the Bidder (each acting reasonably) have been satisfied or waived; and
- (e) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to this Scheme.

2.2 Certificates in relation to Conditions

On the Second Court Date:

- (a) the Target must provide to the Court a certificate (or such other evidence as the Court may request) confirming (in respect of matters within its knowledge) whether or not the Conditions set out in clauses 2.1(a) and 2.1(b) have been satisfied or waived; and
- (b) the Bidder must provide to the Court a certificate (or such other evidence as the Court may request) confirming (in respect of matters within its knowledge) whether or not the Conditions set out in clauses 2.1(a) and 2.1(b) have been satisfied or waived.

2.3 Conclusive evidence

The giving of a certificate by each of the Target and the Bidder in accordance with clause 2.2 will, in the absence of manifest error, be conclusive evidence of the matters referred to in the certificate.

2.4 Termination of Implementation Agreement

Without limiting any rights under the Implementation Agreement, in the event that the Implementation Agreement is terminated in accordance with its terms before the Delivery Time, the Target and the Bidder are each released from:

- (a) any further obligation to take steps to implement this Scheme; and
- (b) any liability with respect to this Scheme,

provided that the Bidder and the Target retain the rights they have against each other in respect of any prior breach of the Implementation Agreement.

3. Scheme

3.1 Effective Date of this Scheme

Subject to clause 3.2, this Scheme will take effect on and from the Effective Date.

3.2 End Date

This Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the End Date, or such later date as the Target and the Bidder agree in writing.

4. Implementation of Scheme

4.1 Lodgement of Court Orders with ASIC

If the Conditions (other than the Condition set out in clause 2.1(e)) are satisfied, the Target must promptly lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Court order approving this Scheme, and in any event by no later than 5:00 pm on the Business Day following the date on which the Court approves this Scheme or such other Business Day as the Target and the Bidder agree in writing.

4.2 Transfer of Scheme Shares

On the Implementation Date:

- (a) subject to the provision of the Scheme Consideration in the manner contemplated by clause 4.3, all of the Scheme Shares will, together with all rights and entitlements attaching to the Scheme Shares, be transferred to the Bidder Nominee without the need for any further act by any Scheme Shareholder (other than acts performed by the Target or its directors as attorney and agent for the Scheme Shareholders under this Scheme) by:
 - (i) the Target delivering to the Bidder Nominee a completed Scheme Transfer duly executed on behalf of the Scheme Shareholders in accordance with clause 7.1 of this Scheme; and
 - (ii) the Bidder Nominee delivering to the Target a completed Scheme Transfer, duly executed by the Bidder Nominee, and the Bidder (or Bidder Nominee) attending to the stamping of the Scheme Transfer (if required); and
- (b) upon receipt of the Scheme Transfer in accordance with clause 4.2(a), but subject to the stamping of the Scheme Transfer (if required), the Target must enter, or procure the entry of, the name and address of the Bidder Nominee in the Target Share Register as the holder of all of the Scheme Shares.

4.3 Provision of Scheme Consideration

- (a) On the Implementation Date, the Bidder must:
 - (i) issue to each Eligible Scheme Shareholder such number of New Bidder Shares as that Eligible Scheme Shareholder is entitled to as Share Consideration;
 - (ii) issue to a nominee appointed by the Bidder in accordance with clause 4.9 such number of New Bidder Shares as are attributable to the Ineligible Overseas Shareholders;
 - (iii) procure the entry in the Bidder Share Register:
 - A. of the name and address of each Eligible Scheme Shareholder in respect of the New Bidder Shares issued to them; and

- B. of the name and address of the nominee appointed by the Bidder in respect of those New Bidder Shares that would otherwise be issued to each Scheme Shareholder who is an Ineligible Overseas Shareholder; and
- (iv) within 5 Business Days after the Implementation Date, the Bidder must send or procure the despatch to each Scheme Shareholder whose New Bidder Shares are held on the issuer sponsored subregister of the Bidder or the nominee appointed by the Bidder (as the case may be) by prepaid post to their address (as recorded in the Target Share Register as at the Record Date, except in the case of the nominee appointed by the Bidder) of uncertificated holding statements for New Bidder Shares issued to the Scheme Shareholder or the nominee appointed by the Bidder (as the case may be) in accordance with this Scheme.
- (b) This clause 4.3 does not apply to a Scheme Shareholder who does not have a Registered Address or where the Target and the Bidder believe that such Scheme Shareholder (other than Ineligible Overseas Shareholders) is not known at their Registered Address.

4.4 Joint holders

In the case of Scheme Shares held in joint names:

- (a) any monies required to be paid to the Scheme Shareholders will be payable to the joint holders;
- (b) any holding statements for New Bidder Shares to be issued to Scheme Shareholders will be issued in the names of the joint holders; and
- (c) any other document required to be sent under this Scheme will be issued in the names of the joint holders,

and will be forwarded to the holder whose name appears first in the Target Share Register as at the Record Date.

4.5 Unclaimed monies

- (a) The Bidder may cancel a cheque issued under this clause 4 if the cheque:
- (i) is returned to the Bidder; or
- (ii) has not been presented for payment within six months after the date on which the cheque was sent.
- (b) During the period of one year commencing on the Implementation Date, on request in writing from a Scheme Shareholder to the Bidder or Target (or the Bidder Share Registry or the Target Share Registry) (which request may not be made until that date which is 10 Business Days after the Implementation Date), the Bidder must reissue a cheque that was previously cancelled under this clause 4.5.
- (c) The *Unclaimed Money Act 1990* (WA) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 3 of that Act).

4.6 Orders of a court or Regulatory Authority

If written notice is given to the Target (or the Target Share Registry) or the Bidder (or the Bidder Share Registry) of an order or direction made by a court of competent jurisdiction or by another Regulatory Authority that:

- (a) requires payment to a third party of a sum in respect of Scheme Shares held by a particular Scheme Shareholder, which sum would otherwise be payable to that Scheme Shareholder by the Target in accordance with this clause 4, then the Target will be entitled to make that payment (or procure that it is made) in accordance with that order or direction; or
- (b) requires issue to a third party of Bidder Shares in respect of Scheme Shares held by a particular Scheme Shareholder, which Bidder Shares would otherwise be required to be issued to that Scheme Shareholder by the Bidder in accordance with this clause 4, then the Bidder will be entitled to make that issue in accordance with that order or direction.

4.7 Fractional entitlements and share splitting or division

- (a) If the number of Scheme Shares held by a Scheme Shareholder at the Record Date is such that the aggregate entitlement of the Scheme Shareholder to Scheme Consideration comprising Bidder Shares is such that a fractional entitlement to a Bidder Share arises, then the entitlement of that Scheme Shareholder must be rounded up or down, with any such fractional entitlement of less than 0.5 being rounded down to the nearest whole Bidder Share and any such fractional entitlement of 0.5 or more being rounded up to the nearest whole Bidder Share.
- (b) If the Bidder is of the opinion (acting reasonably) that two or more Scheme Shareholders (each of whom holds a number of Scheme Shares which results in rounding in accordance with clause 4.7(a)) have, before the Record Date, been party to shareholding splitting or division in an attempt to obtain unfair advantage by reference to such rounding, the Bidder may give notice to those Scheme Shareholders:
 - (i) setting out their names and Registered Addresses as shown in the Target Share Register;
 - (ii) stating that opinion; and
 - (iii) attributing to one of them specifically identified in the notice the Scheme Shares held by all of them,

and, after such notice has been given, the Scheme Shareholder specifically identified in the notice as the deemed holder of all of the specified Scheme Shares will, for the purposes of the other provisions of the Scheme, be taken to hold all of those Scheme Shares and each of the other Scheme Shareholders whose names and registered addresses are set out in the notice will, for the purposes of the other provisions of the Scheme, be taken to hold no Scheme Shares. The Bidder in complying with the other provisions of the Scheme relating to it in respect of the Scheme Shareholder specifically identified in the notice as the deemed holder of all of the specified Scheme Shares, will be taken to have satisfied and discharged its obligations to the other Scheme Shareholders named in the notice under the terms of the Scheme.

4.8 Binding instruction or notifications

Except for a Scheme Shareholder's tax file number, any binding instruction or notification between a Scheme Shareholder and the Target relating to Scheme Shares as at the Record Date (including, without limitation, any instructions relating to payment of dividends or to communications from the Target) will, from the Record Date, be deemed (except to the extent determined otherwise by the Bidder in its sole discretion) to be a similarly binding instruction or notification to, and accepted by the Bidder, in respect of the Bidder Shares issued to the Scheme Shareholder until that instruction or notification is revoked or amended in writing addressed to the Bidder at the Bidder's share registry, provided that any such instructions or notifications accepted by the Bidder will apply to and in respect of the issue of Bidder Shares

as the Scheme Consideration only to the extent that they are not inconsistent with the other provisions of this Scheme.

4.9 Ineligible Overseas Shareholders

- (a) The Bidder will ensure that New Bidder Shares to which an Ineligible Overseas Shareholder would otherwise have been entitled will be issued to a nominee appointed by the Bidder (and approved by ASIC if required).
- (b) The Bidder will procure that, as soon as reasonably practicable and in any event not more than 15 Business Days after the Implementation Date, the nominee:
 - (i) sells on the financial market conducted by ASX all of the New Bidder Shares issued to the nominee pursuant to clause 4.9(a) in such manner, at such price and on such other terms as the nominee determines in good faith; and
 - (ii) remits to the Bidder the proceeds of sale (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges).
- (c) Promptly after the last sale of New Bidder Shares in accordance with clause 4.9(b), the Bidder will pay to each Ineligible Overseas Shareholder the proportion of the net proceeds of sale received by the Bidder pursuant to clause 4.9(b)(ii) to which that Ineligible Overseas Shareholder is entitled.
- (d) Neither the Bidder nor the Target gives any assurance as to the price that will be achieved for the sale of New Bidder Shares described in clause 4.9(b). The sale of the New Bidder Shares under this clause 4.9 will be at the risk of the Ineligible Overseas Shareholder.
- (e) The Bidder must appoint the nominee at least 14 calendar days prior to the Scheme Meeting.

4.10 Status of New Bidder Shares

The Bidder covenants in favour of the Target (in its own right and on behalf of each Scheme Shareholder) that:

- (a) the New Bidder Shares issued as Scheme Consideration will, on their issue, rank equally in all respects with all other Bidder Shares on issue at the Effective Date, and the New Bidder Shares issued as Scheme Consideration will be entitled to participate in and receive any dividends, any distribution of capital and any other entitlements accruing in respect of Bidder Shares after the Effective Date;
- (b) it will use best endeavours to ensure that the New Bidder Shares issued as Scheme Consideration will be listed for quotation on the official list of ASX with effect from the Business Day after the Effective Date (or such later date as ASX may require), initially on a deferred settlement basis and, with effect from the Business Day following the Implementation Date, on an ordinary (T+2) settlement basis; and
- (c) on issue, each New Bidder Share will be fully paid and, to the extent within the control of Bidder, free from any Encumbrance.

5. Dealings in Target Shares

5.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in Target Shares or other alterations to the Target Share Register will only be recognised by the Target provided that:

- (a) in the case of dealings of the type to be effected on CHESS, the transferee is registered in the Target Share Register as the holder of the relevant Target Shares by the Record Date; and
- (b) in all other cases, registrable transfers or transmission applications in respect of those dealings are received by the Record Date at the place where the Target Share Register is kept,

and the Target will not accept for registration, or recognise for any purpose (except a transfer to the Bidder Nominee pursuant to this Scheme and any subsequent transfer by the Bidder Nominee or its successors in title), any transmission application or transfer in respect of Target Shares received on or after the Record Date, or received prior to the Record Date but not in registrable or actionable form.

5.2 Target Share Register

The Target will, until the Scheme Consideration has been paid and the Bidder Nominee has been entered in the Target Share Register as the holder of all of the Scheme Shares, maintain the Target Share Register in accordance with the provisions of this clause 5 and the Target Share Register in this form and the terms of this Scheme will solely determine entitlements to the Scheme Consideration.

5.3 Information to be made available to the Bidder

The Target must procure that as soon as practicable following the Record Date, details of the names, Registered Addresses and holdings of Scheme Shares of every Scheme Shareholder shown in the Target Share Register at the Record Date are made available to the Bidder in such form as the Bidder may reasonably require.

5.4 Effect of share certificates and holding statements

As from the Record Date (and other than for the Bidder Nominee following the Implementation Date), all share certificates and holding statements for the Scheme Shares will cease to have effect as documents of title, and, subject to provision of the Scheme Consideration by the Bidder and registration of the transfer to the Bidder Nominee of the Scheme Shares contemplated by clauses 4.2 and 4.3, each entry on the Target Share Register (other than for the Bidder Nominee) at that date will cease to have any effect other than as evidence of entitlement to the Scheme Consideration in respect of the Scheme Shares relating to that entry.

5.5 No disposals after Record Date

If this Scheme becomes Effective, a Scheme Shareholder, and any person claiming through that Scheme Shareholder, must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after the Record Date and any such disposal will be void and of no legal effect whatsoever.

6. Suspension and termination of quotation

- (a) The Target must apply to ASX for suspension of trading of the Target Shares on ASX with effect from the close of trading on the Effective Date.

- (b) The Target must apply to ASX for:
- (i) termination of official quotation of the Target Shares on ASX; and
 - (ii) the removal of the Target from the official list of ASX,
- with effect from the close of business on the Business Day immediately following the Implementation Date.

7. General Scheme provisions

7.1 Appointment of agent and attorney

Each Scheme Shareholder, without the need for any further act, irrevocably appoints the Target (and each of its directors and officers, jointly and severally) as its agent and attorney for the purpose of:

- (a) executing any document or form or doing any other act necessary to give effect to the terms of this Scheme including, without limitation, the execution of the Scheme Transfer to be delivered under clause 4.2 and the giving of the Scheme Shareholders' consent under clause 7.3; and
- (b) enforcing the Deed Poll against the Bidder or the Bidder Nominee,

and the Target accepts such appointment. The Target, as agent and attorney of each Scheme Shareholder, may sub delegate its functions, authorities or powers under this clause 7.1 to all or any of its directors and officers (jointly, severally, or jointly and severally).

7.2 Enforcement of Deed Poll

The Target undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against the Bidder and the Bidder Nominee (as applicable on behalf of and as agent and attorney for the Scheme Shareholders).

7.3 Scheme Shareholders' consent

Each Scheme Shareholder irrevocably:

- (a) consents to the Target, the Bidder and the Bidder Nominee doing all things and executing all deeds, instruments, transfers or other documents as may be necessary, incidental or expedient to the implementation and performance of this Scheme; and
- (b) acknowledges that this Scheme binds the Target and all of the Scheme Shareholders (including those who do not attend the Scheme Meeting, do not vote at that meeting or vote against this Scheme).

7.4 Scheme Shareholder's agreements and warranties

Each Scheme Shareholder:

- (a) to whom New Bidder Shares are to be issued in accordance with this Scheme:
 - (i) agrees to become a member of the Bidder and to have their name entered in the Bidder Share Register; and
 - (ii) accepts the Bidder Shares issued under this Scheme on the terms and conditions of the constitution of the Bidder and agrees to be bound by

the constitution of the Bidder as in force from time to time in respect of the Bidder Shares,

without the need for any further act by a Scheme Shareholder;

- (b) irrevocably agrees to the transfer of their Scheme Shares together with all rights and entitlements attaching to those Scheme Shares in accordance with this Scheme;
- (c) irrevocably agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme;
- (d) irrevocably agrees to, on the direction of the Bidder, destroy any holding statements or share certificates relating to their Scheme Shares; and
- (e) is deemed to have warranted to the Bidder and the Bidder Nominee and, to the extent enforceable, appointed and authorised the Target as its agent to warrant to the Bidder and the Bidder Nominee that all its Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) will, at the date of the transfer of them to the Bidder Nominee, be fully paid and free from all security interests including mortgages, charges, liens, encumbrances, pledges, Security Interests and interests of third parties of any kind, whether legal or otherwise, and from any restrictions on transfer of any kind, and that it has full power and capacity to sell and to transfer those Scheme Shares together with any rights and entitlements attaching to such shares to the Bidder Nominee under this Scheme.

7.5 Title to Scheme Shares and transfer free from Encumbrance

- (a) Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 4.3, the Bidder Nominee will be beneficially entitled to the Scheme Shares transferred to it under this Scheme pending registration by the Target of the Bidder Nominee in the Target Share Register as the holder of the Scheme Shares.
- (b) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to the Bidder Nominee, will, at the time of transfer to the Bidder Nominee, vest in the Bidder Nominee free from all security interests (including mortgages, charges, liens, encumbrances, pledges, Security Interests and interests of third parties of any kind, whether legal or otherwise, and from any restrictions on transfer of any kind).

7.6 Appointment of the Bidder Nominee as sole proxy

Subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by clause 4.3 of this Scheme, on and from the Implementation Date until the Target registers the Bidder Nominee as the holder of all of the Scheme Shares in the Target Share Register, each Scheme Shareholder:

- (a) irrevocably appoints the Bidder Nominee and each of its directors from time to time (jointly and each of them individually) as its sole proxy, and where applicable corporate representative, to attend shareholders' meetings, exercise the votes attaching to Schemes Shares registered in its name and sign any shareholders resolution, and no Scheme Shareholder may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this clause 7.6(a)); and
- (b) must take all other actions in the capacity of the registered holder of Scheme Shares as the Bidder Nominee reasonably directs.

7.7 Consent to alterations

If the Court proposes to approve this Scheme subject to any alterations or conditions, the Target may, by its counsel or solicitors, and with the consent of the Bidder, consent on behalf of all persons concerned, including a Scheme Shareholder, to any modification of or amendment to this Scheme which the Court thinks fit to impose.

7.8 Notices

- (a) Where a notice, transfer, transmission application, direction or other communication referred to in the Scheme is sent by post to the Target, it will not be deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at the Target's registered office or at the Target Share Registry as the case may be.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Target Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

7.9 Inconsistencies

This Scheme binds the Target and all Scheme Shareholders (including Scheme Shareholders who do not attend the Scheme Meeting, do not vote at that meeting or vote against the Scheme), and to the extent of any inconsistency and permitted by law, overrides the Target constitution.

7.10 Further assurance

The Target will execute all documents and do all acts and things (on its own behalf and on behalf of any other person) as may be necessary or expedient for the implementation of, and performance of its obligations under, this Scheme.

7.11 No liability when acting in good faith

None of the Target, the Bidder and the Bidder Nominee, nor any of their respective officers or employees, will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

7.12 Stamp duties

The Bidder (or Bidder Nominee) must pay or procure the payment of all stamp duties and other duties together with any related fees, fines, penalties, interest or statutory charges, and similar taxes in respect of this Scheme and the Deed Poll, the performance of the Deed Poll and each transaction effected by or made under this Scheme and the Deed Poll.

7.13 Governing law and jurisdiction

- (a) This Scheme is governed by the law applying in Western Australia.
- (b) Each party irrevocably:
 - (i) submits to the non-exclusive jurisdiction of the courts of Western Australia, Commonwealth courts having jurisdiction in that state and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this Scheme; and
 - (ii) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any

proceedings have been brought in an inconvenient forum, if that venue falls within clause 7.13(b)(i).

ANNEXURE C

DEED POLL



Deed Poll

DDH1 Limited
Bidder

DDH1 FinCo Pty Ltd
Bidder Nominee

In favour of each person registered in the Target Share Register as a holder of Scheme Shares as at the Record Date

Clayton Utz
Level 27 QV.1
250 St Georges Terrace
Perth WA 6000
GPO Box 9806
Perth WA 6848
Tel +61 8 9426 8000
Fax +61 8 9481 3095
www.claytonutz.com

Contents

1. Definitions and interpretation 1

 1.1 Definitions 1

 1.2 Interpretation 2

 1.3 Nature of deed poll 2

2. Conditions 3

 2.1 Conditions Precedent 3

 2.2 Termination 3

 2.3 Consequences of termination 3

3. Scheme obligations 3

 3.1 Scheme Consideration 3

 3.2 Official quotation of New Bidder Shares 3

4. Representations and warranties 4

5. Continuing obligations 4

6. Notices 4

 6.1 Form 4

 6.2 Manner 5

 6.3 Time 5

 6.4 Initial details 5

 6.5 Changes 5

7. General 6

 7.1 Assignment 6

 7.2 Cumulative rights 6

 7.3 Further action 6

 7.4 Stamp duties 6

 7.5 Variation 6

 7.6 Waiver 6

 7.7 Merger 7

 7.8 Moratorium legislation 7

 7.9 Costs 7

 7.10 Time 7

 7.11 Counterparts 7

8. Governing law and jurisdiction 7

Deed Poll

Date	15 December 2021
Parties	DDH1 Limited ACN 636 677 088 of 21 Baile Road, Canning Vale WA 6155 (Bidder) DDH1 FinCo Pty Ltd ACN 625 961 980 of 21 Baile Road, Canning Vale WA 6155 (Bidder Nominee)
In favour of	Each person registered in the Target Share Register as a holder of Scheme Shares as at the Record Date (Scheme Shareholders)

Background

- A. The Target, the Bidder and the Bidder Nominee have entered into the Implementation Agreement.
- B. The Target has agreed in the Implementation Agreement to propose the Scheme, the effect of which will be that the Bidder Nominee will acquire all of the Scheme Shares from the Scheme Shareholders, subject to the satisfaction of certain conditions.
- C. In accordance with clause 4.2(j) of the Implementation Agreement, the Bidder and the Bidder Nominee are entering into this deed poll.

Operative provisions

1. Definitions and interpretation

1.1 Definitions

In this deed poll:

First Court Date means the first day of the hearing of an application made to the Court for an order pursuant to section 411(1) of the Corporations Act convening the Scheme Meeting or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

Implementation Agreement means the scheme implementation agreement dated 21 October 2021 (as varied on 15 December 2021) between the Target, the Bidder and the Bidder Nominee pursuant to which, amongst other things, the Target has agreed to propose the Scheme, and each of the Target, the Bidder and the Bidder Nominee has agreed to take certain steps to give effect to the Scheme.

Scheme means the proposed scheme of arrangement under Part 5.1 of the Corporations Act between the Target and the Scheme Shareholders, substantially in the form of Annexure A (as varied on 15 December 2021) to the Implementation Agreement, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act and agreed to by the Target and the Bidder in writing.

Target means Swick Mining Services Ltd ACN 112 917 905 of 64 Great Eastern Highway, South Guilford WA 6055.

Capitalised terms have the meaning given to them in the Scheme, unless the context requires otherwise.

1.2 Interpretation

In this deed poll headings and labels used for definitions are for convenience only and do not affect interpretation and, unless the contrary intention appears:

- (a) a word importing the singular includes the plural and vice versa, and a word of any gender includes the corresponding words of any other gender;
- (b) the word **including** or any other form of that word is not a word of limitation;
- (c) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (d) a reference to a **person** includes an individual, the estate of an individual, a corporation, an authority, an association or parties in a joint venture, a partnership and a trust;
- (e) a reference to a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
- (f) references to paragraphs or clauses are to a paragraph or clause of this deed poll;
- (g) a reference to a document (including this deed poll) is to that document as varied, novated, ratified or replaced from time to time;
- (h) a reference to an agency or body if that agency or body ceases to exist or is reconstituted, renamed or replaced or has its powers or function removed (**obsolete body**), means the agency or body which performs most closely the functions of the obsolete body;
- (i) a reference to a statute includes any regulations or other instruments made under it (**delegated legislation**) and a reference to a statute or delegated legislation or a provision of either includes consolidations, amendments, re-enactments and replacements;
- (j) if a word or phrase is not given a defined meaning in clause 1.1 but is defined in or for the purposes of the Corporations Act, it has the same meaning when used in this deed poll;
- (k) a reference to a date or time is to that date or time in Perth, Australia; and
- (l) this deed poll or any clause in this deed poll must not be construed adversely to a party just because that party prepared it or caused it to be prepared.

1.3 Nature of deed poll

Each of the Bidder and the Bidder Nominee acknowledge and agree that:

- (a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints the Target and each of its directors and officers (jointly and each of them severally) as its agent and attorney to enforce this deed poll against the Bidder and/or the Bidder Nominee.

2. Conditions

2.1 Conditions Precedent

The obligations of the Bidder and the Bidder Nominee under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

The obligations of the Bidder and the Bidder Nominee under this deed poll will automatically terminate and the terms of this deed poll will be of no further force or effect if:

- (a) the Implementation Agreement is terminated in accordance with its terms; or
- (b) the Scheme does not become Effective by the End Date,

unless the Target and the Bidder otherwise agree in accordance with the Implementation Agreement.

2.3 Consequences of termination

If this deed poll is terminated under clause 2.2 then, in addition and without prejudice to any other rights, powers or remedies:

- (a) each of the Bidder and the Bidder Nominee is released from its obligations to further perform this deed poll except those obligations under clause 7.4 and any other obligations which by their nature survive termination; and
- (b) each Scheme Shareholder retains the rights it has against the Bidder and/or the Bidder Nominee in respect of any breach of this deed poll which occurs before it was terminated.

3. Scheme obligations

3.1 Scheme Consideration

Subject to clause 2:

- (a) the Bidder undertakes in favour of each Scheme Shareholder to, on the Implementation Date, issue to each Eligible Scheme Shareholder such number of New Bidder Shares as that Eligible Scheme Shareholder is entitled to as Scheme Consideration; and
- (b) the Bidder and the Bidder Nominee each undertake in favour of each Scheme Shareholder to undertake all other actions attributed to it under, and otherwise comply with, the Scheme, as if named as a party to the Scheme, subject to and in accordance with the terms of the Scheme, including to pay the Scheme Consideration to each Scheme Shareholder in accordance with clause 4.3 of the Scheme and to comply with clause 4.9 of the Scheme.

3.2 Official quotation of New Bidder Shares

The Bidder will seek confirmation from ASX that the New Bidder Shares will be listed for quotation on the official list of ASX, with effect from the Business Day after the Effective Date (or such later date as ASX may require), initially on a deferred settlement basis and, with effect from the Business Day following the Implementation Date, on an ordinary (T+2) settlement basis.

4. Representations and warranties

Each of the Bidder and the Bidder Nominee represent and warrant that:

- (a) **(Status)** it is a validly existing corporation registered under the laws of its place of incorporation;
- (b) **(Power)** it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) **(Authorisation)** it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;
- (d) **(Binding)** this deed poll is valid and binding on it and is enforceable against it in accordance with its terms;
- (e) **(Transaction permitted)** the execution and performance by it of this deed poll and each transaction contemplated by this deed poll does not and will not violate in any respect:
 - (i) any writ, order or injunction, judgment, law, rule or regulation to which it is party, or by which it is bound; or
 - (ii) the constitution or equivalent constituent documents of it or any of its Related Bodies Corporate (as defined in the Implementation Agreement) or any material term or provision of any of its material agreements; and
- (f) **(Solvency)** it is solvent and no resolution has been passed nor has any other step been taken or legal action or proceedings commenced or threatened against it for its winding up or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets.

5. Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until the earlier of:

- (a) the Bidder and the Bidder Nominee fully performing their respective obligations under this deed poll; or
- (b) the termination of this deed poll under clause 2.2.

6. Notices

6.1 Form

Any notice or other communication to or by any party must be:

- (a) in writing and in the English language;
- (b) addressed to the address of the recipient in clause 6.4 or to any other address as the recipient may have notified the sender in writing; and
- (c) be signed by the party or by an authorised officer of the sender.

6.2 Manner

In addition to any other method of service authorised by law, the notice may be:

- (a) personally served on a party;
- (b) left at the party's current address for service;
- (c) sent to the party's current address for service by prepaid express post; or
- (d) sent by electronic mail to the party's electronic mail address.

6.3 Time

If a notice is sent or delivered in the manner provided in clause 6.2 it must be treated as given to or received by the addressee in the case of:

- (a) delivery in person, when delivered;
- (b) delivery by post:
 - (i) in Australia to an Australian address, the third Business Day after posting; or
 - (ii) in any other case, on the tenth Business Day after posting; or
- (c) electronic mail, unless the party sending the email knows or reasonably ought to suspect that the email and the attached communication were not delivered, two hours after the sender's computer reports that the message has been delivered to the electronic mail address of the addressee,

but if delivery is made after 5.00pm on a Business Day it must be treated as received on the next Business Day in that place.

6.4 Initial details

The addresses and numbers for service are initially:

Bidder or Bidder Nominee:

Address: 21 Baile Road, Canning Vale, 6155

Electronic Mail: Company.Secretary@ddh1.com.au

Attention: Company Secretary

with a copy (for information purposes only) in each case to:

Email: Ben.mackinnon@ddh1.com.au

6.5 Changes

A party may from time to time change its address or numbers for service by notice to each other party.

7. General

7.1 Assignment

The rights and obligations of the Bidder, the Bidder Nominee and each Scheme Shareholder under this deed poll are personal and must not be assigned, charged or otherwise dealt with at law or in equity.

7.2 Cumulative rights

The rights, powers and remedies in connection with this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by the law independently of this deed poll.

7.3 Further action

Each of the Bidder and the Bidder Nominee will, at its own expense, promptly do all things and execute and deliver all further documents required by law to give effect to this deed poll and the transactions contemplated by it.

7.4 Stamp duties

The Bidder (or the Bidder Nominee) must pay or procure the payment of all stamp duties and other duties together with any related fees, fines, penalties, interest or statutory charges, and similar taxes in respect of this deed poll, the performance of this deed poll and each transaction effected by or made under this deed poll.

7.5 Variation

A provision of this deed poll may not be varied unless:

- (a) before the First Court Date, the variation is agreed to in writing by the Target, the Bidder and the Bidder Nominee; or
- (b) on or after the First Court Date, the variation is agreed to in writing by the Target, the Bidder and the Bidder Nominee and the Court indicates that the variation would not preclude approval of the Scheme,

in which event the Bidder and the Bidder Nominee will enter into a further deed poll in favour of the Scheme Shareholders giving effect to such variation.

7.6 Waiver

- (a) Waiver of any right arising from a breach of this deed poll or of any right, power, authority, discretion or remedy arising upon default under this deed poll must be in writing and signed by the person granting the waiver. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.
- (b) A failure or delay in exercise, partial exercise, or enforcement of:
 - (i) any right, power or remedy provided by law or under this deed poll; or
 - (ii) any right, power, authority, discretion or remedy created or arising upon default under this deed poll,

by any person will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this deed poll.

- (c) A person is not entitled to rely on a delay in the exercise or non-exercise of a right, power, authority, discretion or remedy arising from a breach of this deed poll or on a default under this deed poll as constituting a waiver of that right, power, authority, discretion or remedy.
- (d) A person may not rely on any conduct of another person as a defence to the exercise of a right, power, authority, discretion or remedy by that other person.
- (e) This clause 7.6 may not itself be waived except in writing.

7.7 Merger

If the liability of a party to pay money under this deed becomes merged in any deed, judgment, order or other thing, the party liable must pay interest on the amount owing from time to time under that deed, judgment, order or other thing at the higher of the rate payable under this deed and that fixed by or payable under that deed, judgment, order or other thing.

7.8 Moratorium legislation

Any law which varies prevents or prejudicially affects the exercise by a party of any right, power or remedy conferred on it under this deed is excluded to the extent permitted by law.

7.9 Costs

Each party is responsible for all its own costs incurred in the negotiation and performance of this deed including legal costs.

7.10 Time

- (a) Time is of the essence of this deed poll.
- (b) If the parties agree to vary a time requirement, the time requirement so varied is of the essence of this deed poll.
- (c) An agreement to vary a time requirement must be in writing.

7.11 Counterparts

This deed may be executed in any number of counterparts each of which will be considered an original but all of which will constitute one and the same instrument. A party who has executed a counterpart of this deed may deliver it to, or exchange it with, another party by:

- (a) faxing; or
 - (b) emailing a pdf (portable document format) copy of,
- the executed counterpart to that other party.

8. Governing law and jurisdiction

- (a) This deed poll is governed by the law applying in Western Australia.
- (b) The Bidder and the Bidder Nominee each irrevocably and unconditionally submit to the non-exclusive jurisdiction of the courts of Western Australia, Commonwealth courts having jurisdiction in that state and the courts competent to determine appeals from those courts, with respect to any proceedings in connection with this deed poll.

- (c) The Bidder and the Bidder Nominee each waive any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 8(b).

Executed as a deed poll.

Executed by DDH1 Limited ACN 636 677 088
in accordance with section 127 of the
Corporations Act 2001 (Cth):

Signature of director

Full name of director

Ben Mackinnon

Signature of company secretary/director

BEN MACKINNON

Full name of company secretary/director

Executed by DDH1 FinCo Pty Ltd ACN 625 961
980 in accordance with section 127 of the
Corporations Act 2001 (Cth):

Signature of director

Full name of director

Ben Mackinnon


Signature of company secretary/director

BEN MACKINNON

Full name of company secretary/director

Executed as a deed poll.

Executed by **DDH1 Limited ACN 636 677 088**
in accordance with section 127 of the
Corporations Act 2001 (Cth):



Signature of director

SYBLADT VAN DUIN

Full name of director

Signature of company secretary/director

Full name of company secretary/director

Executed by **DDH1 FinCo Pty Ltd ACN 625 961 980**
in accordance with section 127 of the
Corporations Act 2001 (Cth):



Signature of director

SYBLADT VAN DUIN

Full name of director

Signature of company secretary/director

Full name of company secretary/director

ANNEXURE D

NOTICE OF SCHEME MEETING



Swick Mining Services Limited
ACN 112 917 905
(Company)

Notice of Scheme Meeting

Notice is hereby given that, by order of the Supreme Court of Western Australia made on 16 December 2021 pursuant to section 411(1) of the Corporations Act, a meeting of Swick Shareholders will be held at Aloft Perth at 27 Rowe Avenue, Rivervale, WA 6103 on Monday, 17 January 2022 at 10.00am (AWST time) (**Scheme Meeting**).

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

Should you wish to discuss any matter relating to this Notice of Scheme Meeting, please do not hesitate to contact the Company Secretary by telephone on +61 8 9277 8800.

Defined Terms

Unless otherwise defined, terms and abbreviations used in this Notice of Scheme Meeting and Explanatory Memorandum are defined in section 14 ("Glossary of defined terms") of the Scheme Booklet. A copy of the Scheme of Arrangement is set out in Annexure B of the Scheme Booklet.

ASIC and ASX

A final copy of this Notice of Scheme Meeting (which forms part of the Scheme Booklet) has been lodged with ASIC and ASX. Neither ASIC, ASX nor any of their respective officers takes any responsibility for the contents of this document.

Business of the Scheme Meeting

The purpose of the Scheme Meeting is for Swick Shareholders to consider and, if thought fit, agree to a scheme of arrangement (with or without alterations or conditions as required or approved by the Court under subsection 411(6) of the Corporations Act to which the Company and DDH1 agree to in writing) between the Company and the Scheme Shareholders, pursuant to Part 5.1 of the Corporations Act (**Scheme**).

To enable you to make an informed voting decision, further information about the Scheme is set out in the Scheme Booklet. The Scheme Booklet is an "explanatory statement" for the purposes of section 412(1) of the Corporations Act.

Scheme Resolution

To consider, and, if thought fit, pass the following resolution in accordance with section 411(4)(a)(ii) of the Corporations Act:

That, pursuant to and in accordance with section 411 of the Corporations Act, the Scheme (the terms of which are contained in and more particularly described in the Scheme Booklet of which the Notice of Scheme Meeting forms part) is agreed to and approved (with or without alterations or conditions as required or approved by the Court to which the Company and DDH1 agree).

BY ORDER OF THE BOARD

Frank Campagna

Company Secretary

Swick Mining Services Limited

Dated: 17 December 2021

Explanatory Memorandum

1. Material accompanying this Notice of Scheme Meeting

The Notice of Scheme Meeting and the Explanatory Memorandum should be read in conjunction with the Scheme Booklet. The Scheme Booklet, Notice of Scheme Meeting and Explanatory Memorandum contain important information on the Scheme Resolution. A Proxy Form is also enclosed.

2. Requisite Majorities

In accordance with section 411(4)(a)(ii) of the Corporations Act, the Scheme Resolution must be passed by:

- a majority in number (more than 50%) of Swick Shareholders present and voting at the Scheme Meeting (either in person or by appointing a proxy, attorney or corporate representative to attend and vote at the Scheme Meeting on their behalf) (the Court has discretion to waive this requirement if it considers it appropriate to do so); and
- at least 75% of the total number of votes cast on the Scheme Resolution by Swick Shareholders present and voting at the Scheme Meeting (either in person or by appointing a proxy, attorney or corporate representative to attend and vote at the Scheme Meeting on their behalf).

Voting at the Scheme Meeting will be by poll rather than by show of hands.

3. Swick Directors' recommendation

The Swick Directors unanimously believe that the Scheme is in the best interests of Swick Shareholders and recommend that Swick Shareholders vote in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Swick Shareholders. Further information regarding the Swick Directors' recommendation is set out in section 1 ("Key reasons to vote in favour of the Scheme") of the Scheme Booklet.

3.1. Impact of COVID-19 on the Scheme Meeting

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19.

Based on the information available to the Swick Board at the time of approving this Notice, the Swick Board considers it will be in a position to hold an 'in-person' meeting to provide Swick Shareholders with a reasonable opportunity to participate in and vote at the Scheme Meeting, while complying with the restrictions regarding gatherings and physical distancing. The Company, however, strongly encourages Swick Shareholders to submit proxies prior to the Scheme Meeting.

If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will provide a further update ahead of the Scheme Meeting by releasing an announcement on the ASX market announcements platform.

3.2. How to participate in the Scheme Meeting

The Scheme Meeting will be held in person at Aloft Perth at 27 Rowe Avenue, Rivervale, WA 6103 on Monday, 17 January 2022 at 10.00am (AWST time).

Swick Shareholders who are unable to attend the Scheme Meeting in person are strongly encouraged to submit a proxy prior to the Scheme Meeting in accordance with the instructions set out in the Proxy Form enclosed with this Notice.

Completed Proxy Forms must be received by no later than 10.00am (AWST time) on Saturday, 15 January 2022.

3.3. How to vote

Entitlement to vote

The Company has determined that the time for determining a person's entitlement to vote at the Scheme Meeting is 4.00pm (AWST time) on Saturday, 15 January 2022. Only those Swick Shareholders entered on the Swick Share Register at that time will be entitled to vote at the Scheme Meeting. Registrable transfers or transmission applications received after this time will be disregarded in determining entitlements to vote at the Scheme Meeting.

Voting in Person

Given the current COVID-19 circumstances and in the interests of public health and safety of Swick Shareholders, the Company will implement arrangements to allow Swick Shareholders to physically attend the Scheme Meeting in accordance with COVID-19 protocols and government advice.

The Company will strictly comply with applicable limitations on indoor gatherings in force at the time of the Scheme Meeting. If you attend the Scheme Meeting in person, you will be required to adhere to COVID-19 protocols in place at the time of the Scheme Meeting.

Joint Holders

In the case of joint holders, only the vote of the person whose name stands first in the Swick Share Register will be counted (whether that vote is cast in person, by proxy or attorney) and to the exclusion of the votes of the other joint holder(s).

Proxies

A Proxy Form is attached to the Notice. This is to be used by Swick Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Swick Shareholders are invited and encouraged to attend the Scheme Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Scheme Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Scheme Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and

- (c) 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.

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:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed);
- (b) 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;
- (c) 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 (ie as directed); and
- (d) 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 (ie as directed).

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

- (a) 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;
- (b) the appointed proxy is not the chair of the meeting;
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) 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.

3.4. Chair's voting intentions

If the Chair of the Scheme Meeting is appointed as your proxy (or is appointed your proxy by default), the Chair intends to vote all valid undirected proxies which appoint (or are taken to appoint) the Chair of the Scheme Meeting in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Swick Shareholders.

4. Court approval

If the Scheme Resolution put to this Scheme Meeting is passed by the Requisite Majorities of Swick Shareholders and the other conditions to the Scheme are satisfied or waived (if applicable), the Company intends to apply to the Court for the necessary orders to approve the Scheme.

In order for the Scheme to become Effective, it must be approved by the Court and an office copy of the orders of the Court approving the Scheme must be lodged with ASIC.

Further details on the Scheme Resolution to be put to the Scheme Meeting are set out in the Scheme Booklet.

Proxy Voting Form

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

[EntityRegistrationDetailsLine1Envelope]
[EntityRegistrationDetailsLine2Envelope]
[EntityRegistrationDetailsLine3Envelope]
[EntityRegistrationDetailsLine4Envelope]
[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]

Holder Number:
[HolderNumber]

Your proxy voting instruction must be received by **10.00am (Perth Time) on Saturday, 15 January 2022**, 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, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

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>.

ANNEXURE E

SCHEME IMPLEMENTATION AGREEMENT

Scheme implementation agreement

DDH1 Limited

Bidder

DDH1 FinCo Pty Ltd

Bidder Nominee

Swick Mining Services Ltd

Target

Clayton Utz
Lawyers
Level 27 QV.1
250 St Georges Terrace
Perth WA 6000
GPO Box 9806
Perth WA 6848
Tel +61 8 9426 8000
Fax +61 8 9481 3095
www.claytonutz.com

Contents

1.	Definitions and interpretation	1
1.1	Definitions	1
1.2	Best and reasonable endeavours	12
1.3	Business Day	12
1.4	Interpretation	13
2.	Obligations in relation to Scheme	14
2.1	The Target to propose Scheme	14
2.2	The Target and the Bidder to implement Scheme	14
3.	Conditions precedent	14
3.1	Conditions	14
3.2	General obligations in relation to Conditions	17
3.3	Obligations in relation to regulatory approvals	18
3.4	Notice in relation to satisfaction of Conditions	19
3.5	Waiver of Conditions	19
3.6	Consultation on failure of Conditions	20
3.7	Failure to agree	20
3.8	Exception	20
4.	Implementation of the Scheme	21
4.1	The Target's obligations	21
4.2	The Bidder's obligations	24
4.3	Dispute as to Scheme Booklet	26
4.4	Responsibility statement	26
4.5	Reconstitution of the Target Board	26
4.6	Removal of the Target from the official list of ASX	26
4.7	Court proceedings	27
5.	Scheme Consideration	27
5.1	Obligations in respect of the Scheme Consideration	27
5.2	Entitlement	27
5.3	Fractional entitlements and share splitting or division	27
5.4	Ineligible Overseas Shareholders and Cash Out Shareholders	28
5.5	Status of New Bidder Shares	28
6.	Conduct of business	29
6.1	Conduct of the Target's business	29
6.2	Information obligations	32
6.3	Scheme Implementation Committee	33
6.4	Counterparty consents	33
7.	Recommendation, intentions and announcements	33
7.1	Target Board Recommendation and Voting Intention	33
7.2	Confirmation	34
8.	Target Performance Rights and Target Warrants	34
9.	Exclusivity arrangements	34
9.1	No current discussions	34
9.2	No shop	35
9.3	No talk and no due diligence	35
9.4	Notification of approaches	35
9.5	Exclusivity of Due Diligence	36
9.6	Limitation to no talk and no due diligence	36
9.7	Matching right	36
9.8	Normal provision of information	38
9.9	Legal advice	38

10.	Reimbursement of Costs	38
10.1	Rationale and nature of payment	38
10.2	The Target Payment	39
10.3	The Bidder Payment	39
10.4	Timing of payment	40
10.5	Compliance with law	40
10.6	One payment only.....	40
10.7	No payment if Scheme Effective	41
10.8	The Target's limitation of liability.....	41
10.9	The Bidder's limitation of liability.....	41
10.10	Survival	41
11.	Liability of directors, officers and employees	41
11.1	Liability of directors, officers and employees.....	41
11.2	Directors and officers insurance	42
11.3	Obligations in relation to directors and officers insurance.....	42
11.4	Directors and officers indemnities	42
11.5	Compliance with law and benefit	43
12.	Representations, warranties and indemnities	43
12.1	Representations and warranties by the Bidder and Bidder Nominee .	43
12.2	The Bidder indemnity.....	43
12.3	Qualification of the Bidder Warranties and the indemnity	43
12.4	Representations and warranties by the Target	44
12.5	Target indemnity	44
12.6	Qualification of the Target Warranties and the indemnity	44
12.7	Notifications	44
12.8	Status of representations and warranties	44
12.9	Status and enforcement of indemnities	45
12.10	Necessary tense changes	45
13.	Confidentiality and public announcements	45
13.1	Confidentiality Deed.....	45
13.2	Survival of obligations.....	45
13.3	Disclosure on termination of agreement.....	45
13.4	Public announcements	45
14.	Termination and remedies	46
14.1	Limited termination events.....	46
14.2	Termination by the Bidder	46
14.3	Termination by the Target	46
14.4	Effect of termination.....	47
14.5	Remedies.....	47
15.	GST	47
15.1	Interpretation.....	47
15.2	GST exclusive.....	47
15.3	Reimbursements and similar payments	47
15.4	GST payable.....	47
16.	Notices	48
16.1	How notice to be given	48
16.2	When notice taken to be received	49
17.	Entire agreement	49
18.	General	49
18.1	Amendments.....	49
18.2	Assignment.....	49
18.3	Consents.....	49
18.4	Costs.....	49

18.5	Counterparts	49
18.6	Further acts and documents	50
18.7	No merger	50
18.8	No representation or reliance	50
18.9	Severance	50
18.10	Stamp duties	50
18.11	Waivers	50
19.	Governing law and jurisdiction	51
19.1	Governing law	51
19.2	Jurisdiction	51
	Schedule 1 - The Bidder Warranties	52
	Schedule 2 - The Target Warranties	54
	Schedule 3 - Timetable	60
	Annexure A - Scheme	62
	Annexure B - Deed Poll	63

Scheme implementation agreement

Date	21 October 2021
Parties	Swick Mining Services Ltd ACN 112 917 905 of 64 Great Eastern Highway, South Guildford WA 6055 (Target) DDH1 Limited ACN 636 677 088) of 21 Baile Road, Canning Vale WA 6155 (Bidder) DDH1 FinCo Pty Ltd ACN 625 961 980 of 21 Baile Road, Canning Vale WA 6155 (Bidder Nominee)

Background

- A. The Bidder, through its wholly owned subsidiary, the Bidder Nominee, proposes that it will acquire all of the Scheme Shares pursuant to a scheme of arrangement under Part 5.1 of the Corporations Act between the Target and Scheme Shareholders.
- B. The Target has agreed to propose the Scheme and issue the Scheme Booklet at the request of the Bidder, and the Target, the Bidder and Bidder Nominee have agreed to implement the Scheme on the terms and conditions of this agreement.

Operative provisions

1. Definitions and interpretation

1.1 Definitions

In this agreement:

Advisor means, in relation to an entity, its legal, financial and other expert advisors (not including the Independent Expert).

Agreed Form means a document that has been agreed in writing by the Target and the Bidder on or before the date of this agreement and has been initialled by or on behalf of the Target and the Bidder or acknowledged via email, in each case for the purposes of identification.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in section 12 of the Corporations Act.

ASX means ASX Limited ACN 008 624 691 or, as the context requires, the financial market operated by it known as the Australian Securities Exchange.

Beneficiary means a present or former director or officer of the Target Group in respect of whom the Policy applies.

Bidder Announcement means the announcement of the Scheme by the Bidder in the Agreed Form.

Bidder Counter Proposal has the meaning given in clause 9.7(a)(v).

Bidder Due Diligence Materials means:

- (a) all information and documents provided to the Target by or on behalf of the Bidder prior to the date of this agreement; and
- (b) the questions raised by the Target during the due diligence process and the responses given to those questions given by or on behalf of the Bidder prior to the date of this agreement.

Bidder Executive Team means Sy Van Dyk, Murray Pollock, Ben MacKinnon and Simon Franich.

Bidder Group means the Bidder, the Bidder Nominee and each of their Related Bodies Corporate.

Bidder Indemnified Parties means the Bidder, the Bidder Nominee and its Related Bodies Corporate and their respective directors, officers and employees.

Bidder Information means:

- (a) all information regarding the Bidder, the Bidder Nominee or the Bidder Group as is required to be included in the Scheme Booklet by:
 - (i) the Corporations Act and the Corporations Regulations;
 - (ii) ASIC policy (including the Regulatory Guides); and
 - (iii) all other applicable laws; and
- (b) any other information that the Target and the Bidder agree is Bidder Information,

but excluding the Independent Expert's Report, any Investigating Accountant's Report and any statement on the letterhead of the Target's tax adviser of the Tax consequences of the Scheme and related matters for Target Shareholders as may be included in the Scheme Booklet. For the avoidance of doubt, the Bidder Information includes all information that would be required under section 636 of the Corporations Act to be included in a bidder's statement if the Bidder was offering the Scheme Consideration as consideration under a takeover bid.

Bidder Long Term Incentive Plan means the "Long Term Incentive Plan - DDH1 Limited" operated by the Bidder.

Bidder Material Adverse Change means any event, matter, change or circumstance occurring, discovered or announced between the date of this agreement and the Delivery Time (including any action taken by a Regulatory Authority) which, whether individually or when aggregated with all such events, matters, changes, or circumstances or things of a like kind has had or will have (after taking into account any matter which offsets the impact of the event, change or circumstance and in each case other than those events, changes or circumstances):

- (a) the effect of diminishing:
 - (i) the consolidated net assets of the Bidder Group by at least 10% compared to the consolidated net assets of the Bidder Group as at 30 June 2021; or
 - (ii) the consolidated annual EBITDA of the Bidder Group by at least 10% compared to the consolidated annual EBITDA of the Bidder Group for the year ended 30 June 2021,

other than those events, changes or circumstances:

- (b) contemplated or required to be done by the Bidder under the Transaction Documents (or reasonably necessary to the foregoing);
- (c) where the Bidder has first consulted in writing with the Target in relation to the matter and the Target has, acting reasonably, approved the proposed matter or has not objected to the proposed matter in writing within 5 Business Days of having been so consulted;
- (d) done or not done at the written request of the Target, including any consequences arising as a result of such matters;
- (e) that have been Disclosed by the Bidder prior to the date of this agreement;
- (f) arising as a result of any generally applicable change in law (including subordinate legislation) or government policy; or
- (g) relating to any material adverse change or disruption to economic or business conditions that impact the Bidder and its competitors in a similar manner.

Bidder Payment means the amount of \$994,000 (representing the amounts referred to in clause 10.1(d) in respect of the Target).

Bidder Performance Rights means performance rights in respect of Bidder Shares issued pursuant to the Bidder Long Term Incentive Plan.

Bidder Prescribed Occurrence means the occurrence of any of the following events:

- (a) the Bidder converting all or any of its securities into a larger or smaller number of securities;
- (b) the Bidder resolving to reduce its share capital in any way or resolving to re-classify, combine, split, redeem or re-purchase directly or indirectly any of its shares;
- (c) the Bidder or any Bidder Group member:
 - (i) entering into a buy-back agreement; or
 - (ii) resolving to approve the terms of a buy-back agreement under the Corporations Act;
- (d) the Bidder issuing shares, or granting an option or a performance right over its shares or agreeing to make such an issue or grant such an option or a performance right;
- (e) the Bidder issuing, or agreeing to issue, convertible notes or any other security convertible into shares;
- (f) the Bidder agreeing to pay, declaring or paying a dividend or any other form of distribution of profits or return of capital to its members;
- (g) the Bidder or any other member of the Bidder Group disposing, or agreeing to dispose of, the whole, or a substantial part of the business or property of the Bidder Group (taken as a whole);
- (h) the Bidder or any other member of the Bidder Group creating, or agreeing to create, any Encumbrance over any of its business or property other than in the ordinary course of business; or

- (i) an Insolvency Event occurring in relation to the Bidder, other than an event:
 - (j) required by law or a Regulatory Authority;
 - (k) contemplated or required to be done by the Bidder under the Transaction Documents (or reasonably necessary to the foregoing);
 - (l) where the Bidder has first consulted in writing with the Target in relation to the matter and the Target has, acting reasonably, approved the proposed matter or has not objected to the proposed matter in writing within 5 Business Days of having been so consulted; or
- (m) that has been Disclosed by the Bidder prior to the date of this agreement.

Bidder Shares means fully paid ordinary shares in the capital of the Bidder.

Bidder Warranties means the representations and warranties made by the Bidder and Bidder Nominee set out in Schedule 1.

Business Day means a day that is not a Saturday, Sunday or public holiday and on which banks are open for business generally in Perth, Western Australia.

Cash Out Shareholder means a Scheme Shareholder (not being an Ineligible Overseas Shareholder) who, based on their holding of Scheme Shares on the date of the Scheme Booklet would, on implementation of the Scheme, be entitled to receive less than a Marketable Parcel of New Bidder Shares (assessed by reference to the last traded price of Bidder Shares on ASX on the trading day prior to the date of the Scheme Booklet) as Scheme Consideration.

Change of Control Contract means each contract in the Agreed Form "List of Change of Control Contracts".

Competing Proposal means, other than the Orexplore Demerger, a proposed transaction or arrangement, which, if implemented substantially in accordance with its terms, would result in a Third Party (either directly or indirectly):

- (a) acquiring or having a right to acquire, or obtaining an economic interest in, all or a substantial part of the business, assets or undertakings of the Target Group;
- (b) acquiring Control of the Target; or
- (c) acquiring a Relevant Interest in any Target Shares, as a result of which the Third Party, together with any Associates, would have a Relevant Interest in more than 20% of Target Shares in aggregate.

Condition means each condition specified in clause 3.1.

Confidentiality Deed means the confidentiality deed dated 5 July 2021 between the Target and the Bidder.

Control has the meaning given in the Corporations Act.

Corporations Act means the Corporations Act 2001 (Cth).

Corporations Regulations means Corporations Regulations 2001 (Cth).

Court means the Supreme Court of Western Australia or such other court of competent jurisdiction as the Target and the Bidder agree in writing.

Decision Time means 6:00 pm on the Business Day before the Second Court Date.

Deed Poll means a deed poll to be executed by the Bidder and Bidder Nominee in favour of the Scheme Shareholders, substantially in the form set out in Annexure B or in such other form as the Target, the Bidder and Bidder Nominee agree in writing.

Delivery Time means 8:00 am on the Second Court Date.

Demerger Agreement means the implementation agreement between the Target and Orexlore Technologies Limited on the terms approved in writing by the Bidder, acting reasonably, relating to the implementation of the Orexlore Demerger.

Disclosed means fairly disclosed

- (a) in respect of the Target:
 - (i) by the Target to the Bidder prior to the date of this agreement in the Target Due Diligence Materials or the Target Disclosure Letter; or
 - (ii) in documents that were publicly available prior to the date of this agreement, including from any announcement made by the Target on ASX or public filings of the Target with ASIC; and
- (b) in respect of the Bidder:
 - (i) by the Bidder to the Target prior to the date of this agreement in the Bidder Due Diligence Materials; or
 - (ii) in documents that were publicly available prior to the date of this agreement, including from any announcement made by the Bidder on ASX or public filings of the Bidder with ASIC.

EBITDA means earnings before interest, taxes, depreciation and amortisation, in accordance with the accounting policies and practices applied by the Target as at the date of this agreement and excluding all costs and expenses incurred by the Target in connection with, or in any way associated with the Scheme process and the Scheme (such costs and expenses includes all related fees payable to external advisers or service providers of the Target).

Effective means, when used in relation to the Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.

Effective Date means the date on which the Scheme becomes Effective.

Encumbrance means a mortgage, charge, pledge, lien, encumbrance, security interest, title retention, preferential right, trust arrangement, contractual right of set-off, or any other security agreement or arrangement in favour of any person, whether registered or unregistered, including any Security Interest.

End Date means the date that is 6 months after the date of this agreement or such other date agreed in writing between the Target and the Bidder.

Exclusivity Period means the period commencing on the date of this agreement and ending on the earliest of:

- (a) the End Date;
- (b) the date this agreement is terminated in accordance with its terms; and
- (c) the Implementation Date.

FIRB means Foreign Investment Review Board.

First Court Date means the first day of the hearing of an application made to the Court for an order pursuant to section 411(1) of the Corporations Act convening the Scheme Meeting or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

Foreign Acquisitions and Takeovers Act means the Foreign Acquisitions and Takeovers Act 1975 (Cth).

Implementation Date means the date that is 5 Business Days after the Record Date or such other date as the Target and the Bidder agree in writing or as ordered by the Court.

Impugned Amount has the meaning given in clause 10.5.

Ineligible Overseas Shareholder means a Scheme Shareholder whose address shown in the Target Share Register on the Record Date is a place outside Australia and its external territories and New Zealand, unless the Target determines that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with New Bidder Shares when the Scheme becomes Effective.

Investigating Accountant means the accountant that may be engaged by the Target in its discretion to prepare an Investigating Accountant's Report.

Investigating Accountant's Report means a report in respect of the historical financial information of the Target, the historical financial information of the Bidder and the pro forma historical financial information of the combined Target Group and Bidder Group which may be prepared for inclusion in the Scheme Booklet.

Independent Expert means the independent expert to be engaged by the Target to express an opinion on whether the Scheme is in the best interests of Target Shareholders.

Independent Expert's Report means the report (including the initial report and any update, revision, amendment, addendum or supplementary report) from the Independent Expert in respect of whether the Scheme is in the best interests of Target Shareholders.

Insolvency Event means in relation to an entity:

- (a) the entity resolving that it be wound up or the making of an application or order for the winding up or dissolution of the entity, other than where the application or order (as the case may be) is set aside within 14 days;
- (b) a liquidator or provisional liquidator of the entity being appointed;
- (c) a court making an order for the winding up of the entity;
- (d) an administrator of the entity being appointed;
- (e) the entity being or becoming unable to pay its debts when they fall due or is unable to pay its debts within the meaning of the Corporations Act;
- (f) the entity executing a deed of company arrangement;
- (g) a receiver, or a receiver and manager, being appointed in relation to the entity, or a substantial part, of the property, business or assets of the entity; or
- (h) something having a substantially similar effect to (a) to (g) happens in connection with that entity under the laws of any jurisdiction.

Intellectual Property Rights means:

- (a) patents, designs, trade marks and service marks (whether registered or unregistered) and any applications for, or rights to apply for, registration of any patent, design, trade mark or service mark;
- (b) copyright (including copyright in software, websites, databases and advertising and other promotional materials);
- (c) all rights to have information (including trade secrets, know-how, operating procedures and technical information) kept confidential; and
- (d) all other rights or protections having similar effect anywhere in the world.

Listing Rules means the official listing rules of ASX.

Marketable Parcel means a parcel of shares that are worth not less than \$500 accordance with the ASX Operating Rules Procedures.

Material Adverse Change means any event, matter, change or circumstance occurring, discovered or announced between the date of this agreement and the Delivery Time (including any action taken by a Regulatory Authority) which, whether individually or when aggregated with all such events, matters, changes, or circumstances or things of a like kind has had or will have (after taking into account any matter which offsets the impact of the event, change or circumstance and in each case other than those events, changes or circumstances):

- (a) the effect of diminishing:
 - (i) the consolidated net assets of the Target Group by at least 10% compared to the consolidated net assets of the Target Group as at 30 June 2021; or
 - (ii) the consolidated annual EBITDA of the Target Group by at least 10% compared to the consolidated annual EBITDA of the Target Group for the year ended 30 June 2021,

other than those events, changes or circumstances:

- (b) contemplated or required to be done by the Target under the Transaction Documents (or reasonably necessary to the foregoing);
- (c) where the Target has first consulted in writing with the Bidder in relation to the matter and the Bidder has, acting reasonably, approved the proposed matter or has not objected to the proposed matter in writing within 5 Business Days of having been so consulted;
- (d) done or not done at the written request of the Bidder, including any consequences arising as a result of such matters;
- (e) that have been Disclosed by the Target prior to the date of this agreement;
- (f) arising as a result of any generally applicable change in law (including subordinate legislation) or government policy; or
- (g) relating to any material adverse change or disruption to economic or business conditions that impact the Target and its competitors in a similar manner.

Material Contracts means each contract in the Agreed Form "List of Material Contracts".

New Bidder Shares means fully paid ordinary shares in the Bidder to be provided to Scheme Shareholders under the Scheme.

Orexpl ore means the Mineral Technology Business that will be demerged from the Target Group pursuant to the Demerger Agreement.

Orexpl ore Arrangements means any arrangements to be entered into between a member of the demerged group under the Orexplore Demerger and a member of the Target Group.

Orexpl ore Demerger means the proposed demerger of Orexplore to be implemented pursuant to the Demerger Agreement.

Policy means the Target Group directors' and officers' insurance policy in effect at the date of this agreement.

Prescribed Occurrence means the occurrence of any of the following events:

- (a) the Target converting all or any of its securities into a larger or smaller number of securities;
- (b) the Target resolving to reduce its share capital in any way or resolving to re-classify, combine, split, redeem or re-purchase directly or indirectly any of its shares, other than as required for the Orexplore Demerger;
- (c) the Target or any Target Group member:
 - (i) entering into a buy-back agreement; or
 - (ii) resolving to approve the terms of a buy-back agreement under the Corporations Act;
- (d) the Target issuing shares, or granting an option or a performance right over its shares or agreeing to make such an issue or grant such an option or a performance right (other than the issue of Target Performance Rights which have been granted before the date of this agreement, or as required for the Orexplore Demerger, or the issue of Target Shares upon exercise or vesting of any Target Performance Rights or Target Warrants);
- (e) the Target issuing, or agreeing to issue, convertible notes or any other security convertible into shares;
- (f) the Target agreeing to pay, declaring or paying a dividend or any other form of distribution of profits or return of capital to its members other than the payment of the Target Final Dividend;
- (g) the Target or any other member of the Target Group disposing, or agreeing to dispose of, the whole, or a substantial part of the business or property of the Target Group (taken as a whole), other than as required for the Orexplore Demerger;
- (h) the Target or any other member of the Target Group creating, or agreeing to create, any Encumbrance over any of its business or property other than in the ordinary course of business; or
- (i) an Insolvency Event occurring in relation to the Target, other than an event:
 - (j) required by law or a Regulatory Authority;
 - (k) contemplated or required to be done by the Target under the Transaction Documents (or reasonably necessary to the foregoing);

- (l) undertaken in connection with the Orexplore Demerger and Disclosed in the Target Due Diligence Materials or otherwise agreed to in writing by the Bidder, and for the avoidance of doubt includes a member of the Target Group making the Seed Funding Payment and the cancellation of the Target Warrants;
- (m) where the Target has first consulted in writing with the Bidder in relation to the matter and the Bidder has, acting reasonably, approved the proposed matter or has not objected to the proposed matter in writing within 5 Business Days of having been so consulted; or
- (n) that has been Disclosed by the Target prior to the date of this agreement.

Recommendation has the meaning in 7.1(a)(i).

Record Date means 5:00 pm on the date that is 5 Business Days after the Effective Date or such other time and date agreed in writing between the Target and the Bidder.

Regulator's Draft has the meaning in clause 4.1(e).

Regulatory Authority means:

- (a) any government or local authority, any department, minister or agency of any government and any other governmental, administrative, fiscal, monetary or judicial body; and
- (b) any other authority, agency, commission or similar entity having powers or jurisdiction under any law or regulation or the listing rules of any recognised stock or securities exchange.

Regulatory Guides means all regulatory guides published by ASIC and in force at the date of this agreement.

Regulatory Review Period means the period from the date on which the Target provides the Regulator's Draft to ASIC in accordance with clause 4.1(e) to the date on which ASIC provides a letter indicating whether or not it proposes to appear to make submissions, or will intervene to oppose the Scheme, when the application made to the Court for orders under section 411(1) of the Corporations Act convening the Scheme Meeting is heard.

Related Body Corporate has the meaning given to that term in section 50 of the Corporations Act.

Relevant Employee means any executive or member of management of the Target Group whose annual base salary exceeds \$300,000 per annum.

Relevant Interest has the meaning given in the Corporations Act.

Representatives means, in relation to a party, the directors, officers, employees, professional advisers (including financiers, financial advisers, corporate advisers, legal advisers or technical or other expert advisers or consultants) and agents of the party or of its Related Bodies Corporate.

Run Off Cover has the meaning given in clause 11.2.

Scheme means a scheme of arrangement under Part 5.1 of the Corporations Act between the Target and the Scheme Shareholders substantially in the form set out in Annexure A or in such other form as the Target and the Bidder agree in writing.

Scheme Booklet means the Scheme Booklet to be prepared by the Target pursuant to section 412 of the Corporations Act in respect of the Scheme in accordance with the terms of this agreement and to be despatched to Target Shareholders.

Scheme Consideration means the consideration which a Scheme Shareholder is entitled to receive under the Scheme, as described in clause 5.2 for each Scheme Share ascertained and subject to adjustment in accordance clauses 5.

Scheme Implementation Committee means the committee established by the parties in accordance with clause 6.3.

Scheme Meeting means the meeting of Target Shareholders to be convened pursuant to section 411(1) of the Corporations Act to consider and, if thought fit, to approve the Scheme.

Scheme Share means a Target Share on issue as at the Record Date, other than any Target Shares held by the Bidder or the Bidder Nominee as at the Record Date.

Scheme Shareholder means each person registered in the Target Share Register as the holder of one or more Scheme Shares as at the Record Date.

Second Court Date means the first day of the hearing of an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

Security Interest has the meaning given in section 12 of the Personal Property Securities Act 2009 (Cth).

Seed Funding Payment means the payment to Oreplore of up to \$12,000,000.

Subsidiary has the meaning given to that term in the Corporations Act.

Superior Proposal means a bona fide Competing Proposal which the Target Board, acting in good faith and after receiving advice from external legal advisers, considers to be:

- (a) reasonably capable of being completed taking into account all aspects of the Competing Proposal, including its conditions, the identity, reputation and financial condition of the person making such proposal, and legal, regulatory and financial matters; and
- (b) is, in the Target Directors' reasonable opinion having regard to any external financial advice, of a higher financial value to Target Shareholders and would, if it is completed, result in a transaction that is more favourable to Target Shareholders than the Scheme,

in each case taking into account all aspects of the Competing Proposal, including:

- (c) the financial value and form of the consideration payable to Target Shareholders under the Competing Proposal;
- (d) the terms and conditions of the Competing Proposal, the likelihood of those conditions being satisfied and the level of certainty in respect of the funding required for the Competing Proposal (as compared to the nature and status of outstanding Conditions and whether those Conditions are likely to be satisfied or waived, and the level of certainty in respect of the funding required for the Scheme);
- (e) the level of certainty and the likely timing required to implement or complete the Competing Proposal (as compared to the Scheme); and
- (f) any other matters relevant to the Competing Proposal being contemplated.

Takeovers Panel means the Takeovers Panel constituted under the Australian Securities and Investments Commission Act 2001 (Cth).

Target Announcement means the announcement of the Scheme by the Target in the Agreed Form.

Target Board means the board of directors of the Target.

Target Disclosure Letter means the letter (if any) executed by the Target and given to the Bidder by the date of this agreement.

Target Due Diligence Materials means:

- (a) all information and documents provided to the Bidder by or on behalf of the Target in the online data room established by the Target prior to the date of this agreement; and
- (b) the questions raised by the Bidder during the due diligence process and the responses given to those questions given by or on behalf of the Target prior to the date of this agreement (as included in the online data room established by the Target).

Target Executive Team means Kent Swick, Jitu Bhudia, Nick Rossides and Paul Robinson.

Target Final Dividend means a fully franked dividend not exceeding \$0.01 per Target Share declared and paid by the Target in the ordinary course in respect of the six month period ending 30 June 2021.

Target Group means the Target and each of its Related Bodies Corporate.

Target Indemnified Parties means the Target and its Related Bodies Corporate and their respective directors, officers and employees.

Target Information means all information included in the Scheme Booklet, other than the Bidder Information, the Independent Expert's Report, any Investigating Accountant's Report and any statement on the letterhead of the Target's tax adviser of the tax consequences of the Scheme and related matters for Target Shareholders as may be included in the Scheme Booklet.

Target IP means all Intellectual Property Rights owned by the Target Group.

Target Payment means the amount of \$994,000 (representing the amounts referred to in clause 10.1(d) in respect of the Bidder).

Target Performance Rights means any performance rights in respect of Target Shares granted or issued pursuant to the "Swick Mining Services Limited Performance Rights Plan".

Target Share Register means the register of members of the Target maintained by or on behalf of the Target in accordance with section 168(1) of the Corporations Act.

Target Shareholder each person registered in the Target Share Register as the holder of one or more Target Shares.

Target Shares means fully paid ordinary shares in the capital of the Target.

Target Warranties means the representations and warranties made by the Target set out in Schedule 2.

Target Warrants means any warrants in respect of Target Shares issued by the Target.

Tax means any tax, levy, excise, duty, charge, surcharge, contribution, withholding tax, impost or withholding obligation of whatever nature, whether direct or indirect, by whatever method

collected or recovered, together with any fees, penalties, fines, interest or statutory charges in any country or jurisdiction.

Taxation Condition means a condition imposed by the Treasurer under section 74(2) of the Foreign Acquisitions and Takeovers Act in the form of the conditions in the "Taxation conditions of certain no objection decisions" in Attachment A to the Foreign Investment Review Board Guidance Note 47 (or any other replacement or substitute taxation conditions that may be issued by the Treasurer from time to time).

Third Party means a person other than the Bidder, the Bidder Nominee, the Target, the Bidder Group or the Target Group.

Timetable means the indicative timetable in relation to the Scheme set out in Schedule 3, or such other indicative timetable as the Target and the Bidder agree in writing.

Transaction means the acquisition by the Bidder, through the Bidder Nominee, of the Scheme Shares for the Scheme Consideration pursuant to the Scheme.

Transaction Documents means:

- (a) this agreement;
- (b) the Scheme; and
- (c) the Deed Poll.

Transaction Process Deed means the transaction process deed dated on or around 5 July 2021 between the Target and the Bidder.

Treasurer means the Treasurer of the Commonwealth of Australia.

Voting Intention has the meaning in clause 7.1(a)(ii).

1.2 Best and reasonable endeavours

Any provision of this agreement which requires a party to use best endeavours or all reasonable endeavours to procure that something is performed or occurs or does not occur does not include any obligation to:

- (a) pay any money or to provide any financial compensation, or any other incentive to or for the benefit of any person in the form of an inducement or consideration except for payment of any applicable fee for the lodgement or filing of any relevant application with any Regulatory Authority or the payment of immaterial expenses or costs, including costs of advisers, to procure the relevant thing; or
- (b) commence or defend any legal action or proceeding against any person,

except, in each case, where that provision expressly specifies otherwise and, for the avoidance of doubt, that party will not breach the relevant provision requiring the use of best or all reasonable endeavours where the party does not procure that the thing is performed or occurs or does not occur as a result of matters outside the control or influence of the party.

1.3 Business Day

If the day on which any act to be done under this agreement is a day other than a Business Day, that act must be done on the immediately preceding Business Day except where this agreement expressly specifies otherwise.

1.4 Interpretation

In this agreement headings and labels used for definitions are for convenience only and do not affect interpretation and, unless the contrary intention appears:

- (a) a word importing the singular includes the plural and vice versa, and a word of any gender includes the corresponding words of any other gender;
- (b) the word **including** or any other form of that word is not a word of limitation;
- (c) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (d) a reference to a **person** includes an individual, the estate of an individual, a corporation, an authority, an association or parties in a joint venture, a partnership and a trust;
- (e) a reference to a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
- (f) a reference to a document (including this agreement) is to that document as varied, novated, ratified or replaced from time to time;
- (g) a reference to a party, clause, schedule, exhibit, attachment, or annexure is a reference to a party, clause, schedule, exhibit, attachment, or annexure to or of this agreement, and a reference to this agreement includes all schedules, exhibits, attachments, and annexures to it;
- (h) a reference to an agency or body if that agency or body ceases to exist or is reconstituted, renamed or replaced or has its powers or function removed (**obsolete body**), means the agency or body which performs most closely the functions of the obsolete body;
- (i) a reference to a statute includes any regulations or other instruments made under it (**delegated legislation**) and a reference to a statute or delegated legislation or a provision of either includes consolidations, amendments, re-enactments and replacements;
- (j) a reference to an event, matter or circumstance being **fairly disclosed** means disclosed in sufficient detail so as to enable a reasonable and sophisticated person experienced in transactions similar to the Transaction and experienced in business similar to any business conducted by the Target Group (if disclosed by the Target) or the Bidder Group (if disclosed by the Bidder or Bidder Nominee) to identify the nature, substance and scope of the relevant event (and includes events, matters or circumstances which ought reasonably to be expected to arise from an event, matter or circumstance so disclosed);
- (k) a reference to a party being **aware** of certain information, having **knowledge** of certain information, having an **awareness** of certain information or to certain information being **known** to a party, at a particular time, is a reference to:
 - (i) in respect of the Bidder or Bidder Nominee, a member of the Bidder Executive Team having actual knowledge or awareness of that information at the relevant time, or circumstances where a member of the Bidder Executive Team would have had actual knowledge or awareness of that information at the relevant time had they made due enquiries of people who might reasonably be expected to have knowledge or awareness of that information, but only to the extent that

member of the Bidder Executive Team was employed by the Bidder at the relevant time; and

- (ii) in respect of the Target, a member of the Target Executive Team having actual knowledge or awareness of that information at the relevant time, or circumstances where a member of the Target Executive Team would have had actual knowledge or awareness of that information at the relevant time had they made due enquiries of people who might reasonably be expected to have knowledge or awareness of that information, but only to the extent that member of the Target Executive Team was employed by the Target at the relevant time;
- (l) a reference to \$ or dollar is to Australian currency;
- (m) if a word or phrase is not given a defined meaning in clause 1.1 but is defined in or for the purposes of the Corporations Act, it has the same meaning when used in this agreement;
- (n) a reference to a date or time is to that date or time in Perth, Australia; and
- (o) this agreement (including any term or condition of it) must not be construed adversely to a party just because that party prepared it or caused it to be prepared.

2. Obligations in relation to Scheme

2.1 The Target to propose Scheme

- (a) The Target agrees to propose the Scheme on and subject to the terms and conditions of this agreement.
- (b) The Bidder and the Bidder Nominee agree to assist the Target to propose the Scheme on and subject to the terms and conditions of this agreement.

2.2 The Target and the Bidder to implement Scheme

The Target, the Bidder and the Bidder Nominee agree to implement the Scheme on and subject to the terms and conditions of this agreement.

3. Conditions precedent

3.1 Conditions

Subject to this clause 3.1, the Scheme will not become Effective and the obligations of the Target, the Bidder and the Bidder Nominee to complete the implementation of the Scheme are not binding until each of the conditions listed in the first column of the following table are either satisfied or waived in accordance with clause 3.5:

Condition	Right to benefit and waive	Responsibility to satisfy
(a) (Scheme shareholder approval) Target Shareholders approve the Scheme by the majorities required under section 411(4)(a)(ii) of the Corporations Act;	None	The Target

Condition	Right to benefit and waive	Responsibility to satisfy
(b) (Court approval of Scheme) the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act;	None	The Target
(c) (FIRB approval) before the Scheme Meeting, the Treasurer has either: <ul style="list-style-type: none"> <li data-bbox="475 600 1023 842">(i) provided written notice that there is no objection under the Foreign Acquisitions and Takeovers Act to the proposed acquisition by the Bidder and the Bidder Nominee under the Transaction, with the notice of no objection being either unconditional or subject only to: <ul style="list-style-type: none"> <li data-bbox="603 875 1023 936">A. the Taxation Conditions; and/or <li data-bbox="603 969 1023 1088">B. other conditions which are reasonably acceptable to the Bidder; or <li data-bbox="475 1122 1023 1272">(ii) become precluded from exercising any power to make an order under the Foreign Acquisitions and Takeovers Act in relation to the Scheme; 	None	The Bidder
(d) (Orexplora Demerger approval) Target Shareholders approve the Orexplore Demerger in accordance with sections 256B and 256C of the Corporations Act and Listing Rule 11.4.1(b);	The Bidder	The Target
(e) (Demerger Agreement) the Demerger Agreement is executed by the Target and Orexplore Technologies Limited on terms approved in writing by the Bidder, acting reasonably;	The Bidder	The Target
(f) (Liability under the Demerger Agreement) no liability arises and becomes payable by the Target (or any member of the Target Group) under the Demerger Agreement which is in excess of (including any Taxes, duties and tax costs, grossed up for any Taxes payable by the Target on any such payment) the maximum recovery amount under the Demerger Agreement;	The Bidder	The Target

Condition	Right to benefit and waive	Responsibility to satisfy
<p>(g) (Regulatory approvals) on or before the Delivery Time, all consents, waivers and approvals from a Regulatory Authority which the Target and the Bidder (acting reasonably) agree in writing are necessary to implement the Scheme are granted or obtained and none of those consents, waivers and approvals have been withdrawn, cancelled or revoked.</p> <p>For the avoidance of doubt, this includes, but is not limited to, ASIC and ASX having issued or provided such consents or approvals or having done such other acts which the Target and the Bidder agree (acting reasonably) are necessary to implement the Scheme, or the Bidder having done such other acts which the Target and the Bidder (acting reasonably) agree are necessary to implement the Scheme.</p> <p>If such consents, approvals or other acts are subject to conditions, those conditions must be acceptable to the Target and the Bidder (acting reasonably);</p>	The Target and the Bidder	In respect of each agreed consent, waiver or approval, the party who has the legal obligation to obtain it
<p>(h) (No restraint) no temporary restraining order, preliminary or permanent injunction or other temporary, preliminary or final order issued by any court of competent jurisdiction, no preliminary or final decision, determination, notice of objection, or order issued by any Regulatory Authority or any other legal restraint preventing any of the transactions contemplated by this agreement is in effect at the Delivery Time;</p>	The Target and the Bidder	The Target and the Bidder
<p>(i) (Independent Expert's Report) the Independent Expert's Report concludes that the Scheme is in the best interests of Target Shareholders on or before the date on which the Scheme Booklet is registered by ASIC under the Corporations Act and the Independent Expert does not change or publicly withdraw that conclusion prior to the Delivery Time;</p>	The Target	The Target
<p>(j) (Change of Control Contracts) on or before the Delivery Time, the Target has received a copy of each consent or waiver required under the Change of Control Contracts to the change of control of the Target resulting from the Transaction, and such consents or waivers</p>	The Bidder	The Target

Condition	Right to benefit and waive	Responsibility to satisfy
have not been withdrawn, suspended or revoked;		
(k) (No Material Adverse Change) no Material Adverse Change occurs before the Delivery Time;	The Bidder	The Target
(l) (No Prescribed Occurrence) no Prescribed Occurrence occurs, and the Target is not in material breach of clause 6.1, before the Delivery Time;	The Bidder	The Target
(m) (Target Warranties) the Target Warranties are true and correct in all material respects as at the time they are given or made; and	The Bidder	The Target
(n) (Bidder Warranties) the Bidder Warranties are true and correct in all material respects as at the time they are given or made;	The Target	The Bidder
(o) (No Bidder Material Adverse Change) no Bidder Material Adverse Change occurs before the Delivery Time;	The Target	The Bidder
(p) (No Bidder Prescribed Occurrence) no Bidder Prescribed Occurrence occurs before the Delivery Time;	The Target	The Bidder
(q) (Quotation of New Bidder Shares) the New Bidder Shares to be issued to Scheme Shareholders pursuant to the Scheme have been approved for official quotation by ASX (any such approval may be subject to customary conditions and to the Scheme becoming Effective) before the Delivery Time;	The Target	The Bidder

3.2 General obligations in relation to Conditions

Without prejudice to any other obligations of the Target, the Bidder and the Bidder Nominee under this agreement, in respect of any given Condition:

- (a) if one party is specified in the third column of the table in clause 3.1 opposite that Condition (or specified in respect of a particular regulatory approval in the case of the Condition in clause 3.1(g)), that party must use its best endeavours to procure that that Condition is satisfied (only to the extent of the particular regulatory approval in the case of the Condition in clause 3.1(g)) as soon as practicable after the date of this agreement and continues to be satisfied at all times up until the last time it is to be satisfied (as the case may require);
- (b) if the Target and the Bidder are specified in the third column of a table in clause 3.1 opposite that Condition, both parties must, to the extent that it is within their respective control or influence, use their best endeavours to procure that that

Condition is satisfied as soon as practicable after the date of this agreement and continues to be satisfied at all times up until the last time it is to be satisfied (as the case may require); and

- (c) the Target and the Bidder must each, to the extent that it is within its respective control or influence, use its best endeavours to procure that there is no occurrence that would prevent the Condition being satisfied and no party shall take any action that will or is likely to hinder or prevent the satisfaction of the Condition except to the extent that such action is required to be done or procured pursuant to the Transaction Documents or is required by law.

3.3 Obligations in relation to regulatory approvals

Without limiting clause 3.2, to the extent that clause 3.2 requires a party to use best endeavours to procure that a regulatory consent, waiver or approval is obtained, that party must:

- (a) as soon as practicable prepare and, subject to clause 3.3(b), lodge, each notice or application required to be given by that party for the purposes of procuring that the regulatory consent, waiver or approval is obtained and take all procedural steps it is responsible for as part of such consent, waiver or approval process, including responding to requests for information at the earliest practicable time and using its best endeavours to obtain such consent, waiver or approval as soon as practicable after the date of this agreement;
- (b) consult with the other party in advance of, and before sending, all communications with, or submissions or applications to, any Regulatory Authority relating to any regulatory consent, waiver or approval and provide the other party with a draft copy of such communications, submissions or applications as soon as practicable and consider in good faith any reasonable comments received from the other party;
- (c) keep the other party informed of progress in relation to each such regulatory consent, waiver or approval and of any material matters raised by, or conditions, material actions or other arrangements proposed by, or to, any Regulatory Authority which relate to any such regulatory consent, waiver or approval; and
- (d) provide copies, on a confidential basis, to the other party of all documents and other communications provided to and received from each relevant Regulatory Authority in relation to each such regulatory consent, waiver or approval (including before the date of this agreement),

provided that:

- (e) in relation to clause 3.3(d), the party applying for the consent, waiver or approval may withhold or redact information or documents if and to the extent that they are confidential to a Third Party;
- (f) nothing in this clause 3.3 requires a party to disclose materially commercially sensitive information to the other party and so such information can be redacted; and
- (g) the party applying for the consent, waiver or approval will not be prevented from taking procedural steps or communicating with or providing documents to a Regulatory Authority if the other party has not responded promptly under clause 3.3(b).

The other party must provide the applicant for a regulatory consent, waiver or approval with all assistance and information reasonably requested by the applicant in connection with the application and submissions for obtaining that consent, waiver or approval.

3.4 Notice in relation to satisfaction of Conditions

Each party must:

- (a) keep the other party promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the Conditions;
- (b) in relation to any Condition, promptly notify the other party in writing upon becoming aware of:
 - (i) the satisfaction of that Condition, in which case the notifying party must also provide reasonable evidence that the Condition has been satisfied; or
 - (ii) any fact or circumstance that it becomes aware of which results in, or may result in, that Condition becoming incapable of satisfaction or may result in that Condition not being satisfied in accordance with its terms; and
- (c) in relation to any Condition, promptly notify the other party in writing of a breach or non-fulfilment of a Condition or any occurrence or event that will prevent a Condition from being satisfied and where a party is entitled to waive that Condition upon receipt or delivery of such a notice (as applicable) that party must notify the other party in accordance with clause 3.5 as soon as reasonably practicable after receipt of that notice, (in any event before the Decision Time) as to whether the party waives the breach or non-fulfilment of the Condition resulting from the occurrence or event.

3.5 Waiver of Conditions

- (a) A Condition is only for the benefit of:
 - (i) if one party is specified in the second column of the table in clause 3.1 opposite that Condition, that party; or
 - (ii) if both the Target and the Bidder are specified in the second column of the table in clause 3.1 opposite that Condition, both parties.
- (b) A Condition may be waived and may only be waived:
 - (i) if the Condition is for the benefit of one party, by that party by written notice to the other party; or
 - (ii) if the Condition is for the benefit of both the Target and the Bidder, by written agreement between the parties.
- (c) A party entitled to waive or to agree to waive a Condition under this clause 3.5 may do so in its absolute discretion subject to the provision of written notice to the other party.
- (d) A party that waives or agrees to waive a Condition is not prevented from bringing a claim against any other party in respect of any breach of this agreement that caused that Condition not to be satisfied.
- (e) Waiver of a breach or non-fulfilment in respect of one Condition does not constitute:
 - (i) a waiver of breach or non-fulfilment of any other Condition resulting from the same event; or

- (ii) a waiver of breach or non-fulfilment of that Condition resulting from any other event.

3.6 Consultation on failure of Conditions

If:

- (a) there is a breach or non-fulfilment of a Condition which is not waived in accordance with this agreement by the time or date specified in this agreement for the satisfaction of the Condition;
- (b) there is an act, failure to act, event or occurrence which will, or which either party becomes aware will, prevent a Condition being satisfied by the time or date specified in this agreement for the satisfaction of the Condition (and the breach or non-fulfilment which would otherwise occur has not already been waived in accordance with this agreement); or
- (c) the Scheme has not become Effective by the End Date,

then the Target and the Bidder must consult, acting reasonably and in good faith, with a view to determining whether:

- (d) the Scheme may proceed by way of alternative means or methods;
- (e) to extend the relevant time for satisfaction of the Condition or to adjourn or change the date of an application to the Court;
- (f) to extend the End Date; or
- (g) do all, or any combination of, the matters listed in clauses 3.6(d) to 3.6(f) (inclusive).

3.7 Failure to agree

If the Target and the Bidder are unable to reach an agreement under clause 3.6 within 5 Business Days after the delivery of the notice under that clause (or any shorter period ending at the Decision Time) then, in each case before the Delivery Time:

- (a) subject to clauses 3.7(b) and 3.8, either party may terminate this agreement by writing to the other party; or
- (b) if a Condition may be waived and exists for the benefit of one party only, that party may only waive that Condition or terminate this agreement by writing to the other party.

3.8 Exception

A party will not be entitled to terminate this agreement pursuant to clause 3.7 if the relevant Condition has not been satisfied or agreement cannot be reached as a result of:

- (a) a breach of this agreement by that party; or
- (b) a deliberate act or omission of that party for the purpose of frustrating satisfaction of the Condition.

4. Implementation of the Scheme

4.1 The Target's obligations

The Target must use its best endeavours to implement the Scheme in accordance with the Timetable and, in particular, the Target must:

- (a) **(Scheme Booklet)** as soon as reasonably practicable after the date of this agreement, prepare the Scheme Booklet (excluding the Bidder Information and the Independent Expert's Report and any Investigating Accountant's Report) in accordance with all applicable laws and provide a draft of the Scheme Booklet to the Bidder;
- (b) **(Consult with the Bidder in relation to the Scheme Booklet)** consult with the Bidder and its Representatives (acting reasonably and in good faith) as to the content and presentation of the Scheme Booklet, including:
 - (i) allowing the Bidder and its Representatives a reasonable opportunity to review and make comments on the draft Scheme Booklet, and if such comments relate to the Bidder Information, the Target must adopt such suggested amendments;
 - (ii) taking any reasonable comments made by the Bidder and its Representatives into account in good faith when producing a revised draft of the Scheme Booklet; and
 - (iii) obtaining the Bidder's and Bidder Nominee's written consent to the inclusion of the Bidder Information (including in respect of the form and context in which the Bidder Information appears in the Scheme Booklet) such consent not to be unreasonably withheld or delayed;
- (c) **(Independent Expert)** promptly appoint the Independent Expert and provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report for inclusion in the Scheme Booklet, and if, after the date of public release of the initial Independent Expert's Report, the Target proposes to provide any new or additional information to the Independent Expert, provide a copy of that information to the Bidder and consult with the Bidder and its Representatives in relation to that information, including by having regard to (acting reasonably and in good faith) all comments from the Bidder and its Representatives in relation to that information;
- (d) **(Approval of draft Scheme Booklet)** procure that a meeting of the Target Board is convened to approve the draft Scheme Booklet to be provided to ASIC for its review;
- (e) **(ASIC review)** as soon as reasonably practicable, provide an advanced draft of the Scheme Booklet (**Regulator's Draft**) to ASIC, for its review and approval for the purposes of section 411(2) of the Corporations Act and:
 - (i) liaise with ASIC as necessary and to the extent reasonably practicable during the Regulatory Review Period; and
 - (ii) keep the Bidder informed in relation to any matters raised by ASIC in connection with the Scheme Booklet or the Scheme and use reasonable endeavours to consult with the Bidder to resolve any such matters;
- (f) **(Section 411(17)(b) statement)** apply to ASIC for the production of:
 - (i) a letter stating that ASIC does not intend to appear at the First Court Hearing; and

- (ii) a letter stating that, pursuant to section 411(17)(b) of the Corporations Act, ASIC has no objection to the Scheme;
- (g) **(Court documents)** prepare all documents necessary for the Court proceedings relating to the Scheme in accordance with all applicable laws and provide the Bidder with copies of those documents, and consider in good faith comments on, and suggested amendments to, those documents from the Bidder and its Representatives prior to filing those documents with the Court;
- (h) **(First Court hearing)** lodge all documents with the Court and take all other reasonable steps to ensure that an application is heard by the Court for an order under section 411(1) of the Corporations Act directing the Target to convene the Scheme Meeting;
- (i) **(Approval of Scheme Booklet)** procure that a meeting of the Target Board is convened to approve the Scheme Booklet for registration with ASIC and despatch to Target Shareholders;
- (j) **(Due diligence and verification)** undertake appropriate due diligence and verification processes in relation to the Scheme Booklet (other than the Bidder Information, the Independent Expert's Report, any Investigating Accountant's Report and any statement on the letterhead of the Target's tax adviser of the tax consequences of the Scheme and related matters for Target Shareholders as may be included in the Scheme Booklet);
- (k) **(Register Scheme Booklet)** request that ASIC registers the explanatory statement included in the Scheme Booklet in relation to the Scheme in accordance with section 412(6) of the Corporations Act;
- (l) **(Compliance with Court orders)** take all reasonable steps necessary to comply with the orders of the Court including, as required, despatching the Scheme Booklet to Target Shareholders and convening and holding the Scheme Meeting;
- (m) **(Update Scheme Booklet)** if it becomes aware of information after the date of despatch of the Scheme Booklet, which is required to be disclosed to Target Shareholders under any applicable law, as expeditiously as practicable:
 - (i) inform Target Shareholders of the information in an appropriate and timely manner, and in accordance with applicable law; and
 - (ii) to the extent it is reasonably practicable to do so, provide the Bidder with drafts of any documents that it proposes to issue to Target Shareholders under this clause 4.1(m);
- (n) **(ASX listing)** use its best endeavours to ensure that the Target continues to be admitted to ASX, and that Target Shares continue to be quoted for trading (and not permanently suspended) on ASX, until the close of business on the Business Day immediately following the Implementation Date;
- (o) **(Suspension)** apply to ASX to have trading in Target Shares suspended from the close of trading on the Effective Date;
- (p) **(Court approval application)** if the resolution submitted to the Scheme Meeting in relation to the Scheme is passed by the requisite majorities required under section 411(4)(a)(ii) of the Corporations Act and subject to all other Conditions (other than the Condition in clause 3.1(b)) being satisfied or waived in accordance with this agreement, apply (and, to the extent necessary, re-apply) to the Court for orders approving the Scheme in accordance with sections 411(4)(b) and 411(6) of the Corporations Act;

- (q) **(Certificate)** at the hearing on the Second Court Date, provide to the Court a certificate confirming (in respect of matters within its knowledge) whether or not the Conditions (other than the Condition in clause 3.1(b)) have been satisfied or waived in accordance with this agreement and provide a draft of that certificate to the Bidder by 5:00 pm on the Business Day prior to the Second Court Date;
- (r) **(Implementation of Scheme)** if the Scheme is approved by the Court:
- (i) lodge with ASIC an office copy of the orders approving the Scheme in accordance with section 411(10) of the Corporations Act before 5:00 pm on the Business Day following the day of receipt of such office copy (or such other date as is agreed between the Target and the Bidder in writing);
 - (ii) close the Target Share Register as at the Record Date and determine entitlements to the Scheme Consideration in accordance with the Scheme;
 - (iii) provide to the Bidder all information about the Scheme Shareholders that the Bidder reasonably requires in order for the Bidder to provide, or procure the provision of, the Scheme Consideration in accordance with the Scheme; and
 - (iv) subject to the Bidder satisfying its obligations under clause 5.1(b), on the Implementation Date (or as soon as practicable thereafter):
 - A. execute proper instruments of transfer and effect the transfer of Scheme Shares to the Bidder Nominee in accordance with the Scheme; and
 - B. register all transfers of Scheme Shares to the Bidder Nominee in accordance with the Scheme;
- (s) **(Promote merits of Transaction)** participate in efforts reasonably requested by the Bidder to promote the merits of the Transaction and the Scheme Consideration to Target Shareholders, including meeting with key Target Shareholders at the reasonable request of the Bidder;
- (t) **(Deed of Cross Guarantee)** prior to the Delivery Time, deliver to the Bidder a fully executed deed of revocation relating to the deed of cross guarantee between the Target, SMS Operations Pty Ltd, SMS Asset Holdings Pty Ltd and Swick Engineering Pty Ltd;
- (u) **(Orexplere Demerger)** prior to the Delivery Time, the Target must undertake all steps required to give effect to, or otherwise be in a position to give effect to, the Orexplore Demerger on or before the Implementation Date, and the Target must as a part of that transaction, obtain an indemnity from, and provide an indemnity in favour of, the demerged entity, effective from the date of the demerger, to the effect that:
- (i) the demerged entity will have the entire economic benefit and risk of the demerged entity group's business, and will assume all liabilities of that business, to the extent that the liabilities are caused by the acts or omissions of an entity in the demerged group or their directors or employees (including all debt and guarantees provided by the Target Group related to the business of Orexplore), as if the demerged entity had owned and operated that business at all times;
 - (ii) the Target Group (excluding the demerged entity) will have the entire economic benefit and risk of the Target Group business (excluding the business of the demerged entity) and will assume all liabilities of that

Target Group business, to the extent that the liabilities are caused by the acts or omissions of an entity in the Target Group or their directors or employees, as if it had operated and owned that business at all times; and

- (iii) the demerged entity will indemnify the Target against any loss whatsoever in connection with the Orexplore Demerger (including any Taxes, duties and tax costs, grossed up for any Taxes payable by the Target on any such indemnity payment),

each subject to the terms of the Demerger Agreement, and the Target must not release, or otherwise diminish the liability of, any demerged entity from its indemnity. The split of assets and liabilities between the demerged entity group's business and the Target Group business (excluding the business of the demerged entity) must be undertaken in accordance with the separation principle above. For the avoidance of doubt, if there is any inconsistency between the terms of the Demerger Agreement and this clause, the terms of the Demerger Agreement will take precedence;

- (v) **(Compliance with laws)** do everything reasonably within its power to ensure that the Transaction is effected in accordance with the terms of this agreement and applicable laws; and
- (w) **(Other things)** promptly do all other things contemplated by or necessary to give effect to the Scheme and, if the Scheme is approved by the Court, the orders of the Court approving the Scheme.

4.2 The Bidder's obligations

The Bidder and the Bidder Nominee must use their best endeavours to assist the Target to implement the Scheme in accordance with the Timetable and, in particular, the Bidder must:

- (a) **(Draft of the Bidder Information)** provide to the Target a draft of the Bidder Information as soon as reasonably practicable after the date of this agreement and consult with the Target in relation to the content of drafts of the Bidder Information and (acting reasonably and in good faith) take into account any comments from the Target and its Representatives on those drafts;
- (b) **(Final form of the Bidder Information)** provide to the Target the Bidder Information in a form appropriate for inclusion in the Scheme Booklet;
- (c) **(Review Scheme Booklet)** review the draft of the Scheme Booklet provided by the Target and provide comments on that draft as soon as reasonably practicable and in good faith;
- (d) **(Independent Expert)** promptly provide all assistance and information reasonably requested by the Independent Expert to enable it to prepare its report for inclusion in the Scheme Booklet;
- (e) **(Investigating Accountant)** promptly provide all assistance and information reasonably requested by any Investigating Accountant to enable it to prepare any report for inclusion in the Scheme Booklet;
- (f) **(Due diligence and verification)** undertake appropriate due diligence and verification processes in relation to the Bidder Information and provide to the Target all evidence of such processes as may be reasonably requested;
- (g) **(Reasonable assistance)** provide all assistance and information reasonably requested by the Target or its Representatives in connection with:

- (i) the preparation of the Scheme Booklet (including any supplemental disclosure to Target Shareholders) and any documents required to be filed with the Court in respect of the Scheme; and
 - (ii) the Target in applying for any regulatory modifications determined appropriate or necessary by the Target (and provide any necessary consents in relation to such applications);
- (h) **(Liaise with ASIC and ASX)** provide all reasonable assistance requested by the Target to assist the Target to resolve any matters raised by ASIC or ASX regarding the Scheme Booklet or the Scheme;
- (i) **(Approval of the Bidder Information)** as soon as reasonably practicable after receipt from the Target of the draft of the Scheme Booklet, and in any event before a draft of the Scheme Booklet is lodged with ASIC and if required by the Target again before the Scheme Booklet is despatched to Target Shareholders, confirm in writing to the Target that:
 - (i) the Bidder and the Bidder Nominee consent to the inclusion of the Bidder Information in the Scheme Booklet (including in respect of the form and context in which the Bidder Information appears in the Scheme Booklet) such consent not to be unreasonably withheld or delayed; and
 - (ii) the Bidder Information in the form and context in which it appears in the draft of the Scheme Booklet is not misleading or deceptive, does not contain any omission and is in a form appropriate for despatch to Target Shareholders (subject to the approval of the Court);
- (j) **(Deed Poll)** by the Business Day prior to the First Court Date, enter into the Deed Poll to enter into the Deed Poll, and deliver the executed Deed Poll to the Target;
- (k) **(Representation)** procure that, if requested by the Target, it is represented by counsel at the Court hearings convened for the purposes of the Scheme, at which, through its counsel and, if requested by the Court, the Bidder and Bidder Nominee will undertake to do all such things and take all such steps within its power as may be reasonably necessary in order to ensure the fulfilment of its obligations under this agreement and the Scheme;
- (l) **(Certificate)** at the hearing on the Second Court Date, provide to the Court a certificate confirming (in respect of matters within its knowledge) whether or not the Conditions (other than the Condition in clause 3.1(b)) have been satisfied or waived in accordance with this agreement and provide a draft of that certificate to the Target by 5:00 pm on the Business Day prior to the Second Court Date;
- (m) **(Official quotation)** apply to ASX for official quotation by ASX of the New Bidder Shares to be issued to Scheme Shareholders pursuant to the Scheme and use its best endeavours to obtain the approval of ASX for official quotation (subject to customary conditions and to the Scheme becoming Effective) no later than the Delivery Time;
- (n) **(Scheme Consideration)** if the Scheme becomes Effective, provide, or procure the provision of, the Scheme Consideration on the Implementation Date in accordance with clause 5 and the terms of the Scheme and the Deed Poll;
- (o) **(Despatch of Holding Statements)** despatch holding statements to Scheme Shareholders for the New Bidder Shares issued to those Scheme Shareholders pursuant to the Scheme on the Implementation Date;
- (p) **(Promote merits of Transaction)** participate in efforts requested by the Target to promote the merits of the Transaction and the Scheme Consideration, including

meeting with key employees of the Target and key Target Shareholders at the request of the Target;

- (q) **(Compliance with laws)** do everything reasonably within its power to ensure that the Transaction is effected in accordance with the terms of this agreement and applicable laws.
- (r) **(Other things necessary)** promptly do all other things contemplated by or necessary to give effect to the Scheme and, if the Scheme is approved by the Court, the orders of the Court approving the Scheme.

4.3 Dispute as to Scheme Booklet

If, after a reasonable period of consultation, the Target and the Bidder, each acting reasonably and in good faith, are unable to agree on the form or content of the Scheme Booklet, then if the disagreement relates to the form or content of the Bidder Information (or any information solely derived from, or prepared solely in reliance on, the Bidder Information), the Target will, acting in good faith, make such amendments to that information in the Scheme Booklet as the Bidder may reasonably require.

4.4 Responsibility statement

The Scheme Booklet will contain a responsibility statement to the effect that:

- (a) the Bidder and the Bidder Nominee are responsible for the Bidder Information contained in the Scheme Booklet and, to the maximum extent permitted by law, the Target will not be responsible for any Bidder Information and will disclaim any liability for the Bidder Information;
- (b) the Target is responsible for the Target Information contained in the Scheme Booklet and, to the maximum extent permitted by law, the Bidder (or the Bidder Nominee) will not be responsible for any Target Information and will disclaim any liability for the Target Information;
- (c) the Independent Expert is responsible for the Independent Expert's Report;
- (d) the Investigating Accountant is responsible for the Investigating Accountant's Report (if applicable); and
- (e) if the Scheme Booklet contains a statement on the letterhead of the Target's tax adviser of the tax consequences of the Scheme and related matters for Target Shareholders, that tax adviser is responsible for that letter.

4.5 Reconstitution of the Target Board

On the Implementation Date, and subject to the Bidder having provided the Scheme Consideration in accordance with clause 5, the Target must:

- (a) cause the appointment to the Target Board and to the boards of each Subsidiary of the Target of such persons as nominated by the Bidder in writing to the Target, subject to those persons being appointed having provided to the Target a duly signed consent to act as a director of the relevant companies; and
- (b) procure that the directors of the Target and each Subsidiary of the Target which the Bidder nominates resign from the board of each relevant entity.

4.6 Removal of the Target from the official list of ASX

Subject to the Scheme becoming Effective, the Target must take all steps necessary for the Target to be removed from the official list of ASX with effect from the close of business on the

Business Day immediately following the Implementation Date, including by lodging a request for removal with ASX prior to the Implementation Date, and the Target and the Bidder (to the extent necessary) must satisfy any conditions reasonably required by ASX for it to act on that request.

4.7 Court proceedings

Without limiting clause 4.2(k) above:

- (a) the Bidder is entitled to separate representation at all Court proceedings relating to the Scheme (at its own cost); and
- (b) the Target must support any application by the Bidder for leave of the Court to be represented, or the separate representation of the Bidder, at any hearing held by the Court in relation to the Scheme whether following a request by the Target or otherwise.

5. Scheme Consideration

5.1 Obligations in respect of the Scheme Consideration

The Bidder agrees in favour of the Target (in the Target's own right and separately as trustee for each Scheme Shareholder) that, if the Scheme becomes Effective, in consideration of the transfer to the Bidder Nominee of each Scheme Share under the Scheme, the Bidder will:

- (a) accept that transfer and execute any instruments of transfer required to effect it; and
- (b) provide, or procure the provision of, the Scheme Consideration to each Scheme Shareholder for Scheme Shares in accordance with the terms of the Scheme.

5.2 Entitlement

For each Scheme Share held by a Scheme Shareholder at the Record Date, that Scheme Shareholder will be entitled to receive 0.2970 New Bidder Shares (**Scheme Consideration**).

5.3 Fractional entitlements and share splitting or division

- (a) If the number of Scheme Shares held by a Scheme Shareholder at the Record Date is such that the aggregate entitlement of the Scheme Shareholder to Scheme Consideration comprising Bidder Shares is such that a fractional entitlement to a Bidder Share arises, then the entitlement of that Scheme Shareholder must be rounded up or down, with any such fractional entitlement of less than 0.5 being rounded down to the nearest whole Bidder Share and any such fractional entitlement of 0.5 or more being rounded up to the nearest whole Bidder Share.
- (b) If the Bidder is of the opinion (acting reasonably) that two or more Scheme Shareholders (each of whom holds a number of Scheme Shares which results in rounding in accordance with clause 5.3(a)) have, before the Record Date, been party to shareholding splitting or division in an attempt to obtain unfair advantage by reference to such rounding, the Bidder may give notice to those Scheme Shareholders:
 - (i) setting out their names and registered addresses as shown in the Target Share Register;
 - (ii) stating that opinion; and

- (iii) attributing to one of them specifically identified in the notice the Scheme Shares held by all of them,

and, after such notice has been given, the Scheme Shareholder specifically identified in the notice as the deemed holder of all of the specified Scheme Shares will, for the purposes of the other provisions of the Scheme, be taken to hold all of those Scheme Shares and each of the other Scheme Shareholders whose names and registered addresses are set out in the notice will, for the purposes of the other provisions of the Scheme, be taken to hold no Scheme Shares. The Bidder Nominee in complying with the other provisions of the Scheme relating to it in respect of the Scheme Shareholder specifically identified in the notice as the deemed holder of all of the specified Scheme Shares, will be taken to have satisfied and discharged its obligations to the other Scheme Shareholders named in the notice under the terms of the Scheme.

5.4 Ineligible Overseas Shareholders and Cash Out Shareholders

- (a) The Bidder will ensure that New Bidder Shares to which an Ineligible Overseas Shareholder or a Cash Out Shareholder would otherwise have been entitled will be issued to a nominee appointed by the Bidder (and approved by ASIC if required).
- (b) The Bidder will procure that, as soon as reasonably practicable and in any event not more than 15 Business Days after the Implementation Date, the nominee:
 - (i) sells on the financial market conducted by ASX all of the New Bidder Shares issued to the nominee pursuant to clause 5.4(a) in such manner, at such price and on such other terms as the nominee determines in good faith; and
 - (ii) remits to the Bidder the proceeds of sale (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges).
- (c) Promptly after the last sale of New Bidder Shares in accordance with clause 5.4(b), the Bidder will pay to each Ineligible Overseas Shareholder and each Cash Out Shareholder the proportion of the net proceeds of sale received by the Bidder pursuant to clause 5.4(b)(ii) to which that Ineligible Overseas Shareholder or Cash Out Shareholder is entitled.
- (d) Neither the Bidder nor the Target gives any assurance as to the price that will be achieved for the sale of New Bidder Shares described in clause 5.4(b). The sale of the New Bidder Shares under this clause 5.4 will be at the risk of the Ineligible Overseas Shareholder or Cash Out Shareholder.
- (e) The Bidder must appoint the nominee at least 14 calendar days prior to the Scheme Meeting.

5.5 Status of New Bidder Shares

The Bidder covenants in favour of the Target (in its own right and on behalf of each Scheme Shareholder) that:

- (a) the New Bidder Shares issued as Scheme Consideration will, on their issue, rank equally in all respects with all other Bidder Shares on issue at the Effective Date, and the New Bidder Shares issued as Scheme Consideration will be entitled to participate in and receive any dividends, any distribution of capital and any other entitlements accruing in respect of Bidder Shares after the Effective Date;
- (b) it will use best endeavours to ensure that the New Bidder Shares issued as Scheme Consideration will be listed for quotation on the official list of ASX with effect from the Business Day after the Effective Date (or such later date as ASX

may require), initially on a deferred settlement basis and, with effect from the Business Day following the Implementation Date, on an ordinary (T+2) settlement basis; and

- (c) on issue, each New Bidder Share will be fully paid and, to the extent within the control of Bidder, free from any Encumbrance.

6. Conduct of business

6.1 Conduct of the Target's business

- (a) From the date of this agreement up to and including the Implementation Date, the Target must, and must procure that each entity of the Target Group will conduct the business and operations of the Target Group:
- (i) as a going concern in the ordinary and normal course and consistent with the business plans and budgets disclosed to the Bidder prior to the date of this agreement and otherwise on a basis consistent with that adopted in the previous two years, and must not make any significant change to the nature or scale of any activity comprised in its businesses and operations; and
 - (ii) substantially consistent with the manner in which the business and operations were conducted prior to the date of this agreement (subject to all applicable laws, regulations and requirements of Regulatory Authorities), including:
 - A. complying in all material aspects with all Material Contracts to which a Target Group member is a party to;
 - B. using reasonable endeavours to preserve its current business organisation, the services of its current officers and material employees and its current relationships with Regulatory Authorities, joint venturers, customers, suppliers, landlords, licensors, licensees and others with whom it has business dealings;
 - C. protecting and maintaining each of its physical assets in the normal course and consistent with past practices and maintaining appropriate and adequate insurance in respect of each of those assets which are insurable;
 - D. keeping and maintaining proper records of all its dealings and transactions relating to its business and operations;
 - E. ensuring that all amounts owing to trade or other creditors of the entity are paid in accordance with applicable payment terms;
 - F. consulting with the Bidder in relation to the preparation and approval of any budget or business plan relating to the Target businesses or operations;
 - G. ensuring that there is no occurrence in relation to the Target within their control that would constitute or be likely to constitute a Material Adverse Change;
 - H. not undertaking any action which would, or would reasonably be expected to, give rise to a Prescribed Occurrence; and

- I. conducting its business and operations in accordance with all applicable laws and regulations and sound industry practice.
- (b) Without limiting clause 6.1(a), from the date of this agreement up to and including the Implementation Date, the Target must not, and must procure that each other member of the Target Group does not:
- (i) acquire or agree to acquire any securities, business, asset, operation, entity or undertaking in a single or series of related transactions, other than in the ordinary course of business (and not contrary to the Target's financial year 2022 budget in aggregate, as disclosed in the Target Due Diligence Materials), the value of which is material to the Target Group as a whole;
 - (ii) dispose or agree to dispose of any securities, business, asset, entity or undertaking in a single or series of related transactions, other than in the ordinary course of business (and not contrary to the Target's financial year 2022 budget in aggregate, as disclosed in the Target Due Diligence Materials), the value of which is material to the Target Group as a whole;
 - (iii) incur, pay, discharge or satisfy any liability (including any right of recovery under any claim) under a contract, arrangement or understanding to the Target Group of more than \$500,000 other than in accordance with its terms;
 - (iv) commit to any business as usual funding in relation to Orexplore, or for Orexplore Technologies Limited or a Subsidiary of Orexplore Technologies Limited, other than as specified in the Target's financial year 2022 budget in aggregate, as disclosed in the Target Due Diligence Materials;
 - (v) other than as permitted under clause 6.1, commit to pay any amount to Orexplore above the Seed Funding Payment;
 - (vi) commit to any capital expenditure not disclosed in the Target's financial year 2022 budget in aggregate, as disclosed in the Target Due Diligence Materials;
 - (vii) enter into a loan, advance or financing arrangement (other than with another member of the Target Group or to any client under a margin loan or similar facility in the ordinary course of business) as lender;
 - (viii) enter into, vary or terminate any contract, joint venture, partnership or commitment involving total expenditure contrary to the Target's financial year 2022 budget in aggregate, as disclosed in the Target Due Diligence Materials;
 - (ix) vary any employment agreement with one or more of its officers, directors, other executives, or employees, or accelerate or otherwise increase remuneration, compensation or rights to benefits for any of the aforementioned, other than:
 - A. in accordance with an existing contractual obligation to do so;
 - B. in the ordinary course of business including variations resulting from annual pay reviews;
 - C. pursuant to an obligation under the Target Group's policies and guidelines in effect as at the date of this agreement (the

terms of which have been disclosed in writing to the Bidder prior to the date of this agreement); or

- D. as required by law or regulation;
- (x) enter into a new employment contract with a potential employee of the Target Group in which the total employment costs payable to that potential or existing employee exceed \$300,000 per annum;
 - (xi) enter into any enterprise bargaining agreement other than in the ordinary course of business;
 - (xii) do or omit to do anything which might result in the variation, termination, suspension, revocation or non-renewal of any licence or authorisation held by the Target Group which is material to the operation of its business;
 - (xiii) change any accounting policies or practices;
 - (xiv) make any material tax election or settle or compromise any material liability relating to tax unless the Target has received an opinion from a Queen's Counsel that the settlement or compromise is in the best interests of the Target Group;
 - (xv) enter into, or resolve to enter into, a transaction with a related party of the Target, including giving or agreeing to give a financial benefit to a related party (other than a related party that is a member of the Target Group) as defined in section 228 of the Corporations Act, other than the Orexplore Arrangements;
 - (xvi) incur any additional financial indebtedness, other than draw-downs of existing debt facilities or additional financial indebtedness incurred in the ordinary course of business or in respect of the Seed Funding Payment;
 - (xvii) guarantee or indemnify the obligations of any other person other than a member of the Target Group;
 - (xviii) cease, or threaten to cease, to carry on a substantial part of its business;
 - (xix) settle or compromise any new claim, litigation, investigation, arbitration or other like proceeding in relation to any member of the Target Group the value of which exceeds \$300,000 (individually or in aggregate);
 - (xx) engage in any conduct that is inconsistent with the terms of the Demerger Agreement; or
 - (xxi) authorise, agree, offer, commit or resolve to do any of the things referred to in clauses 6.1(b)(i) to 6.1(b)(xx), whether conditionally or otherwise.
- (c) Nothing in this clause restricts the ability of the Target or any member of the Target Group to take any action:
- (i) contemplated or required to be done by the Target under the Transaction Documents (or reasonably necessary to the foregoing);
 - (ii) where the Target has first consulted in writing with the Bidder in relation to the matter and the Bidder has, acting reasonably, approved the proposed matter or has not objected to the proposed matter in writing within 5 Business Days of having been so consulted;

- (iii) that has been Disclosed by the Target prior to the date of this agreement;
- (iv) undertaken in connection with the Orexplere Demerger and for the avoidance of doubt includes a member of the Target Group making the Seed Funding Payment and the cancellation of the Target Warrants;
- (v) to avoid the occurrence of a Material Adverse Change; or
- (vi) required by law or otherwise arising as a result of any court or Regulatory Authority order, injunction or undertaking.

6.2 Information obligations

- (a) Subject to clause 6.2(b), between the date of this agreement and the Implementation Date, the Target must:
 - (i) consult with the Bidder and obtain consent from the Bidder in relation to all major business decisions of the Target Group, including, for the avoidance of doubt, concerning the Orexplere Demerger (save for the Target's consideration of the Scheme or any Competing Proposal and anything specified in the Target's financial year 2022 budget, as disclosed in the Target Due Diligence Materials);
 - (ii) provide the Bidder with details of any Material Contracts which are proposed to be entered into;
 - (iii) promptly after becoming aware of a matter material to the Transaction, provide the Bidder with sufficient information such that the Bidder can assess the nature and potential impact of that matter on the Transaction; and
 - (iv) promptly provide the Bidder with a notice in writing of any breach of this agreement or any matters, events or occurrences which could be reasonably likely to result in a breach of this agreement.
- (b) The Target is not required to comply with clause 6.2(a) where the Target Board has determined in good faith and having considered written advice from external legal advisers that to undertake the relevant action would likely:
 - (i) involve a breach of:
 - A. the fiduciary or statutory duties owed by any Target director; or
 - B. any legal obligations of the Target or any Target director; or
 - (ii) otherwise be unlawful.
- (c) The Target and the Bidder acknowledge that all information that is provided pursuant to this clause 6.2 will be provided subject to the terms of the Confidentiality Deed.
- (d) The Bidder acknowledges that in providing consent for any major business decision in accordance with clause 6.2(a), it must act reasonably.

6.3 Scheme Implementation Committee

- (a) The parties must establish a Scheme Implementation Committee as soon as reasonably practicable after the date of this agreement and work together in good faith, consult with each other and plan to:
- (i) scope the workplan, composition and schedule for the Scheme Implementation Committee in relation to implementing the Scheme and transitioning the business of the Target Group to the Bidder;
 - (ii) implementing the Scheme; and
 - (iii) assist with the initial transition of the management of the business and the affairs of the Target Group to the Bidder following the implementation of the Scheme by engaging in any discussions as reasonably required by the Bidder.
- (b) At meetings of the Scheme Implementation Committee, the Target must provide an update on a monthly basis to the Bidder on the quantum of the Target's external costs paid or incurred in relation to the Scheme or the transactions contemplated by this agreement (including all legal, financial, printing, shareholder communication and any other costs).

6.4 Counterparty consents

The Target and the Bidder will cooperate with each other in good faith, and will take all actions reasonably required, to seek to identify and obtain all counterparty consents which are necessary or desirable to implement the Scheme (including under the Change of Control Contracts and other consents to avoid breach of any change of control provisions).

7. Recommendation, intentions and announcements

7.1 Target Board Recommendation and Voting Intention

- (a) The Target must ensure that the Target Announcement and the Scheme Booklet state to the effect that each Target director:
- (i) unanimously recommends that Target Shareholders vote in favour of the resolution to approve the Scheme (**Recommendation**); and
 - (ii) intends to cause any Target Shares in which he or she has a Relevant Interest to be voted in favour of the resolution to approve the Scheme (**Voting Intention**),
- and does not publicly change, withdraw or modify their Recommendation or Voting Intention, unless:
- (iii) the Independent Expert concludes in the Independent Expert's Report that the Scheme is not in the best interests of Target Shareholders;
 - (iv) there is a Superior Proposal and the Target Board, after considering the matter in good faith and after taking advice from external legal advisers, determines that it no longer considers the Scheme to be in the best interests of Target Shareholders;
 - (v) an event in clause 14.3 occurs and the Target has provided a notice of termination to the Bidder; or

- (vi) there is a failure to satisfy a Condition before a party is required to do so under clause 3.
- (b) For the purposes of clause 7.1(a), customary qualifications and explanations contained in the Scheme Booklet and any public announcements by the Target in relation to a recommendation to vote in favour of the Scheme to the effect that the recommendation is made:
 - (i) in the absence of a Superior Proposal;
 - (ii) in respect of any public announcement issued before the issue of the Scheme Booklet, 'subject to the Independent Expert concluding in the Independent Expert's Report that the Scheme is in the best interest of Target Shareholders'; and
 - (iii) in respect of the Scheme Booklet and any public announcements issued at the time of or after the issue of the Scheme Booklet, 'subject to the Independent Expert continuing to conclude that the Scheme is in the best interest of Target Shareholders',

will not be regarded as a failure to make, or a change, withdrawal, modification or qualification of, a recommendation in favour of the Scheme.

7.2 Confirmation

The Target represents and warrants to the Bidder that it has been advised by each Target director in office at the date of this agreement that he or she will make and maintain their Recommendation and Voting Intention unless permitted to change or withdraw it in accordance with this agreement.

8. Target Performance Rights and Target Warrants

As at the Delivery Time, the Target must have put arrangements in place so that all Target Performance Rights and Target Warrants will either vest (and have resulted in the issue of Target Shares), lapse or otherwise be cancelled or terminated before the Record Date.

9. Exclusivity arrangements

9.1 No current discussions

- (a) The Target represents and warrants that, as at the date of this agreement:
 - (i) it is not a party to any agreement or arrangement with any third party entered into for the purposes of facilitating an actual, proposed or potential Competing Proposal;
 - (ii) it is not, directly or indirectly, in any negotiations or discussions, and has ceased any existing negotiations or discussions, with any person in respect of any actual, proposed or potential Competing Proposal; and
 - (iii) any due diligence access granted to any third party for the purposes of such third party making, formulating, developing or finalising, or assisting in the making, formulation, development or finalisation of, a Competing Proposal has been terminated.
- (b) Subject to clause 9.6, the Target undertakes, in respect of any confidentiality or other agreement it has with any person that has been entered into in the last 12 months in connection with the provision of confidential information to that person or in connection with a Competing Proposal, to not waive, and to promptly enforce

(including in respect of an anticipated breach), any standstill obligations under any such agreements.

9.2 No shop

During the Exclusivity Period, the Target must not, and must ensure that any member of the Target Group or its Representatives do not, except with the prior written consent of the Bidder, solicit, encourage, initiate or invite any Competing Proposal or initiate enquiries, expressions of interest, negotiations or discussions with any Third Party or communicate any intention to do any of these things which may reasonably be expected to encourage or lead to, an expression of interest, offer or proposal from any person in relation to an actual, proposed or potential Competing Proposal.

9.3 No talk and no due diligence

Subject to clause 9.6, during the Exclusivity Period, the Target must not, and must ensure that any member of the Target Group or its Representatives do not, except with the prior written consent of the Bidder, directly or indirectly:

- (a) enter into, continue or participate in any negotiations or discussions with any Third Party in relation to a Competing Proposal or which may reasonably be expected to lead to an actual, proposed or potential Competing Proposal;
- (b) enter into any agreement, arrangement or understanding with any Third Party in relation to a Competing Proposal or which may reasonably be expected to lead to an actual, proposed or potential Competing Proposal;
- (c) provide or make available any information to a Third Party for the purposes of enabling that party to make an actual, proposed or potential Competing Proposal or any agreement, arrangement or understanding that might be reasonably expected to lead to a Competing Proposal; or
- (d) communicate any intention to do any of the things listed in clauses 9.3(a), 9.3(b) or 9.3(c),

even if that person's Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by the Target, any member of the Target Group, any of its Representatives or the person has publicly announced the Competing Proposal.

9.4 Notification of approaches

- (a) During the Exclusivity Period, the Target must promptly notify the Bidder (and in any event within 1 Business Day of becoming aware) if:
 - (i) it (or any member of the Target Group or its Representatives) receives or becomes aware of an approach or attempt by any person regarding any actual, proposed or potential Competing Proposal, including details of the party making the proposal, the terms of the proposal and any material updates to the proposal; or
 - (ii) it (or any member of the Target Group or its Representatives) receives or becomes aware of a proposal made to the Target or any member of the Target Group or its Representatives regarding an actual, proposed or potential Competing Proposal, including details of the party making the proposal, the terms of the proposal and any material updates to the proposal;

whether direct or indirect and whether or not that Competing Proposal was solicited, invited, encouraged or initiated by the Target, any member of the Target Group or any of its Representatives.

9.5 Exclusivity of Due Diligence

Subject to clause 9.6, during the Exclusivity Period, the Target must not, and must ensure that neither it nor any member of the Target Group or any of its Representatives, in relation to an actual, proposed or potential Competing Proposal:

- (a) enables any other person to undertake due diligence investigations on any member of the Target Group, any of the operations or assets of the business of the Target Group or any part thereof;
- (b) makes available to any other person, or permits any other person to receive any non-public information relating to any member of the Target Group, any of the operations or assets of the business of the Target Group or any part thereof;
- (c) makes available to any other person, or permits any other person to have access to, any officers or employees of the Target Group; or
- (d) makes available to any other person, or permits any other person to have access to any premises or sites used, leased, licenced or owned by the Target Group,

other than the Bidder and any other person nominated by the Bidder (whether in the course of due diligence or otherwise).

9.6 Limitation to no talk and no due diligence

Clauses 9.1(b), 9.3, 9.4(a) and 9.5 do not apply to the extent that they restrict the Target from taking or refusing to take any action with respect to a genuine Competing Proposal (which was not directly or indirectly solicited, invited, encouraged or initiated by the Target, any member of the Target Group or any of its Representatives in breach of clause 9) provided that the Target Board has first determined, acting in good faith, that:

- (a) after consultation with its financial advisors, such a genuine Competing Proposal is, or could reasonably be considered to become, a Superior Proposal; and
- (b) after receiving written legal advice from its external legal advisors (who must be reputable advisers experienced in transactions of this nature), taking or refusing to take such action in compliance with clauses 9.1(b), 9.3, 9.4(a) or 9.5 in relation to such genuine Competing Proposal would be reasonably likely to constitute a breach of the Target's Board's fiduciary or statutory obligations,

and provided that to the extent the Target, any member of the Target Group or its Representatives propose to provide information to which clause 9.4(a) applies, the Target has entered into a binding confidentiality agreement with the relevant person who will receive that information, and either:

- (c) the terms of the confidentiality agreement are no less favourable to the Target than the Confidentiality Deed; or
- (d) the Target agrees to amend the terms of the Confidentiality Deed such that the obligations imposed on the Bidder under that agreement are no less favourable to the Bidder than the obligations imposed on the relevant person who will receive that information are to that other person.

9.7 Matching right

- (a) During the Exclusivity Period, the Target:
 - (i) must not enter into any legally binding agreement pursuant to which a Third Party proposes, or proposes to undertake to give effect to a Competing Proposal; and

- (ii) must use reasonable endeavours to procure that none of its directors change, withdraw or modify their Recommendation or Voting Intention in favour of the Scheme, publicly recommend, support or endorse a Competing Proposal or make any public statement to the effect that they may do so at a future point in time (provided that a statement that no action should be taken by Target Shareholders pending the assessment of a Competing Proposal by the Target Board and its Advisors will not contravene this clause),
- unless:
- (iii) the Target Board, acting in good faith and in order to satisfy what the directors of the Target consider to be their statutory or fiduciary duties (having received written legal advice from their external legal adviser) determine that the Competing Proposal is, or could reasonably be expected to lead to, a Superior Proposal;
- (iv) the Target has provided the Bidder with the material terms and conditions of the Competing Proposal (including details of the party making the proposal);
- (v) the Target has given the Bidder at least 2 Business Days after the provision of the information referred to in paragraph 9.7(a)(iv) above to provide a matching or superior proposal to the terms of the relevant Competing Proposal (**Bidder Counter Proposal**); and
- (vi) the Bidder has not in that time period provided a Bidder Counter Proposal that the Target directors determine has terms and conditions (taken as a whole) that are more favourable than those of the relevant Competing Proposal and would deliver a superior outcome for Target Shareholders.
- (b) The Target must use its reasonable endeavours to procure that its directors, within 2 Business Days of receiving the Bidder Counter Proposal, consider the Bidder Counter Proposal in good faith.
- (c) If the notification provided by the Target to the Bidder is that the Target Board has determined that the Counterproposal:
- (i) would provide an equal or superior outcome to Target Shareholders compared to the Competing Proposal, then the Target and the Bidder must use their reasonable endeavours to agree any necessary amendments to this agreement and agree such other documents that are reasonably necessary to reflect the Counterproposal as soon as reasonably practicable and the Target must use reasonable endeavours to procure that each of the directors of the Target continue to recommend that Target Shareholders vote in favour of the Scheme (as modified by the Counterproposal) (subject to the same qualifications as set out in clause 7.1); or
- (ii) would not provide an equal or superior outcome to Target Shareholders compared to the Competing Proposal, then the Bidder may take steps to amend the Counterproposal to address the reasons given by the Target for that determination and must provide such revised Counterproposal to the Target within a further period of 2 Business Days, and if the Bidder does so to the satisfaction of the Target Board, then the process in clause 9.7(c)(i) applies to that revised Counterproposal.
- (d) For the avoidance of doubt, if the Target directors determine that the terms and conditions of the Bidder Counter Proposal (taken as a whole) are more favourable than those of the relevant Competing Proposal and would deliver a superior

outcome for Target Shareholders, the Target and the Bidder must each use their reasonable endeavours to agree and enter into such documentation as is necessary to give effect to and implement the Bidder Counter Proposal as soon as reasonably practicable, and the Target must use its best endeavours to procure that each of its directors makes a public statement recommending the Bidder Counter Proposal to Target Shareholders.

9.8 Normal provision of information

Nothing in this clause 9 prevents the Target from:

- (a) providing information to its Representatives;
- (b) providing information to any Regulatory Authority;
- (c) providing information to its employees, auditors, consultants, customers, joint venturers and suppliers acting in that capacity in the ordinary course of business;
- (d) providing information required to be provided by law; or
- (e) making presentations to brokers, portfolio investors, analysts and other Third Parties in the ordinary course of business.

9.9 Legal advice

The Target acknowledges that it has received legal advice on this agreement and the operation of this clause 9 from reputable legal advisers experienced in transactions of this nature.

10. Reimbursement of Costs

10.1 Rationale and nature of payment

Each party acknowledges and agrees that:

- (a) it has required the inclusion of this clause 10 in the absence of which it would not have entered into this agreement or otherwise agreed to implement the Scheme, subject to the terms and conditions in this agreement;
- (b) it believes that the Scheme will provide significant benefits to it and its shareholders, and that it is reasonable and appropriate that the Target (in respect of the Target Payment) and the Bidder (in respect of the Bidder Payment) agree to the inclusion of this clause 10 in order to secure the other party's execution of this agreement and agreement to implement the Scheme, subject to the terms and conditions in this agreement;
- (c) it has received legal advice on the operation of this clause 10 from reputable legal advisers experienced in transactions of this nature;
- (d) the amount payable by the Target (in respect of the Target Payment) pursuant to clause 10.2 and by the Bidder (in respect of the Bidder Payment) pursuant to clause 10.3 is to be purely and strictly compensatory in nature so as to compensate the Bidder (in respect of the Target Payment) and the Target (in respect of the Bidder Payment) for the following:
 - (i) advisory costs relating to the Scheme;
 - (ii) costs of management and directors' time;

- (iii) out-of-pocket expenses relating to the Scheme;
 - (iv) reasonable opportunity costs incurred by the Bidder or the Target (as applicable) in pursuing the Scheme or in not pursuing other alternative acquisitions or strategic initiatives which the Bidder or the Target (as applicable) could have developed to further its business and objectives; and
 - (v) damage to the Bidder's or the Target's (as applicable) reputation associated with a failed transaction and the implications of that damage to the Bidder's or the Target's (as applicable) business; and
- (e) the costs incurred by each party are of a nature that cannot be accurately quantified, and that a genuine pre-estimate of the costs to be incurred by each of the Target and the Bidder would equal or exceed the compensatory amount payable under clause 10.2 and clause 10.3, respectively.

10.2 The Target Payment

The Target agrees to pay the Target Payment to the Bidder without deduction, set-off or withholding if:

- (a) **(Competing Proposal)** a Competing Proposal is announced before the earlier of the Second Court Date and termination of this agreement, and within 12 months after the date of this agreement, the Third Party who announced the Competing Proposal (or any of its Associates) completes that Competing Proposal;
- (b) **(Change of recommendation)** during the Exclusivity Period, a majority of the Target directors fail to recommend the Scheme or publicly change or withdraw their Recommendation or Voting Intention or publicly recommend a Competing Proposal and the Transaction does not complete, unless it occurs after:
 - (i) the Independent Expert has concluded that the Scheme is not in the best interests of Target Shareholders;
 - (ii) the Independent Expert changes or publicly withdraws its conclusion that the Scheme is in the best interests of Target Shareholders;
 - (iii) the Target has become entitled to terminate this agreement pursuant to clause 14.3(b) and has given the appropriate notice to the Bidder; or
 - (iv) there is a failure to satisfy a Condition which is for the benefit of the Target or both parties, before a party is required to do so under clause 3.
- (c) **(Termination)** the Bidder terminates this agreement in accordance with clause 14.2(b)(i) or 14.2(b)(ii) and the Transaction does not complete.

10.3 The Bidder Payment

The Bidder agrees to pay the Bidder Payment to the Target without deduction, set-off or withholding if:

- (a) at any time after the date of this agreement, the Target terminates this agreement in accordance with clause 14.3(b)(i) or 14.3(b)(iii); or
- (b) the Bidder does not pay or procure the payment of the Scheme Consideration in accordance with the terms and conditions of this agreement, the Scheme and the Deed Poll.

10.4 Timing of payment

- (a) A demand by a party for payment of the Target Payment under clause 10.2 or the Bidder Payment under clause 10.3 must:
- (i) be in writing;
 - (ii) be made after the occurrence of the event in that clause giving rise to the right to payment;
 - (iii) state the circumstances which give rise to the demand; and
 - (iv) nominate an account in the name of the Bidder or a Related Body Corporate into which the Target is to pay the Target Payment or the Target or a Related Body Corporate into which the Bidder is to pay the Bidder Payment (as applicable).
- (b) The Target must pay the Target Payment into the account nominated by the Bidder and the Bidder must pay the Bidder Payment into the account nominated by the Target (as applicable), without deduction, set-off or withholding, within 10 Business Days after receiving a valid demand for payment where the Bidder is entitled under clause 10.2 to the Target Payment or the Target is entitled under clause 10.3 to the Bidder Payment (as applicable).

10.5 Compliance with law

- (a) If it is finally determined following the exhaustion of all reasonable avenues of appeal to the Takeovers Panel or a court that all or any part of the Target Payment or the Bidder Payment (as applicable) (**Impugned Amount**):
- (i) would, if paid, be unlawful for any reason;
 - (ii) involves a breach of the fiduciary or statutory duties of the Target Board; or
 - (iii) constitutes 'unacceptable circumstances' within the meaning of the Corporations Act or breaches an order of the Takeovers Panel,
- then
- (iv) the requirement to pay the Target Payment or the Bidder Payment (as applicable) does not apply to the extent of the Impugned Amount; and
 - (v) if the Bidder or the Target (as applicable) has received the Impugned Amount, it must refund it within 5 Business Days of the final determination.
- (b) The Target and the Bidder must not make, or cause to be made, any application to the Takeovers Panel or a Court for or in relation to a determination referred to in this clause 10.5.

10.6 One payment only

- (a) Where the Target Payment becomes payable to the Bidder under clause 10.2 and is actually paid to the Bidder, the Bidder cannot make any claim against the Target for the payment of any subsequent Target Payment.
- (b) Where the Bidder Payment becomes payable to the Target under clause 10.3 and is actually paid to the Target, the Target cannot make any claim against the Bidder for the payment of any subsequent Bidder Payment.

10.7 No payment if Scheme Effective

Despite anything to the contrary in this agreement (including the occurrence of any event in clause 10.2 or clause 10.3), neither the Target Payment nor the Bidder Payment will be payable if the Scheme becomes Effective and if any amount has already been paid, it must be refunded by the Bidder or the Target (as applicable) within 10 Business Days after the Scheme becomes Effective.

10.8 The Target's limitation of liability

- (a) Notwithstanding any other provision of this agreement, the maximum liability of the Target to all other persons under or in connection with this agreement, including in respect of any breach of this agreement and the indemnity in clause 12.5, will be the amount of the Target Payment.
- (b) A payment made by the Target in accordance with this clause 10 represents the sole and absolute liability of the Target and any member of the Target Group under or in connection with this agreement and no further damages, fees, expenses or reimbursements of any kind will be payable by the Target under or in connection with this agreement.
- (c) The amount of the Target Payment to be paid to the Bidder under this clause 10 will be reduced by the amount of any loss or damage recovered by the Bidder in relation to a breach of this agreement and the indemnity clause 12.5.

10.9 The Bidder's limitation of liability

- (a) Notwithstanding any other provision of this agreement, the maximum liability of the Bidder to all other persons under or in connection with this agreement, including in respect of any breach of this agreement and the indemnity in clause 12.2, will be the amount of the Bidder Payment.
- (b) A payment made by the Bidder in accordance with this clause 10 represents the sole and absolute liability of the Bidder and any member of the Bidder Group under or in connection with this agreement and no further damages, fees, expenses or reimbursements of any kind will be payable by the Bidder under or in connection with this agreement.
- (c) The amount of the Bidder Payment to be paid to the Target under this clause 10 will be reduced by the amount of any loss or damage recovered by the Target in relation to a breach of this agreement and the indemnity in clause 12.2.
- (d) Notwithstanding any other provision of this agreement, the Bidder Payment under this clause 10 will not be payable if the Orexplora Demerger has not been implemented in accordance with the Demerger Agreement prior to the Implementation Date.

10.10 Survival

Any accrued obligations under this clause 10 survive termination of this agreement.

11. Liability of directors, officers and employees

11.1 Liability of directors, officers and employees

To the maximum extent permitted by law, each party releases all rights against, and agrees that it will not make any claim against, the other party's past or present Representatives in respect of any matter arising in connection with this agreement or the Transaction, including:

- (a) any breach of any representation, warranty or covenant of this agreement;
- (b) any disclosure containing any statement which is false or misleading (whether by omission or otherwise);
- (c) any failure to provide information; or
- (d) whether current, future, known or unknown, arising at common law, in equity, under statute or otherwise,

except:

- (e) in the case of the release in clause 11.1(a), to the extent arising from the fraud of the relevant Representative; and
- (f) otherwise, to the extent arising from the fraud, dishonesty or wilful default of the relevant Representative.

11.2 Directors and officers insurance

- (a) The Bidder acknowledges and agrees that:
 - (i) subject to clause 11.2(b), prior to the Implementation Date, the Target may arrange and pay all premiums required for run off directors' and officers' liability insurance cover (**Run Off Cover**) to be put in place for the benefit of each Beneficiary on, so far as practicable, terms (including as to limits of liability and deductibles) no less favourable than under the Policy; and
 - (ii) the Run Off Cover will cover claims made up to 7 years after the Implementation Date in respect of conduct or matters occurring on or before the Implementation Date.
- (b) Prior to purchasing any Run Off Cover, the Target must consult with the Bidder and provide the Bidder with the terms of the proposed Run Off Cover, including the price.

11.3 Obligations in relation to directors and officers insurance

From the Implementation Date, the Bidder must procure that the Target does not:

- (a) vary or cancel the Policy or Run Off Cover; or
- (b) unless required under the Policy or Run Off Cover, commit any act or omission that may prejudice any claim by a Beneficiary under the Policy or Run Off Cover.

11.4 Directors and officers indemnities

Without limiting any other term of this agreement, the Bidder undertakes that it will, from the Implementation Date and in respect of each deed of indemnity, access and insurance (**Relevant Deed**) made by a member of the Target Group (**Relevant Entity**) in favour of a director, officer or employee of any member of the Target Group, whether past or present, (**Indemnified Person**) from time to time procure that:

- (a) the Relevant Entity complies with the Relevant Deed; and
- (b) to the extent that the Relevant Entity ceases to exist after the Implementation Date, each Indemnified Person has the benefit of an indemnity from another member of the Target Group of good financial standing or from the Bidder (at the Indemnified

Person's election) on terms no less favourable to the Indemnified Person than those contained in the Relevant Deed as at the Implementation Date.

11.5 Compliance with law and benefit

- (a) Clause 11.1 and clause 11.4 are subject to any restriction under the Corporations Act and will (if and to the extent required) be read down accordingly.
- (b) The Bidder acknowledges and agrees that the Target holds the benefit of this clause 11 to the extent it relates to each Target Indemnified Party as trustee for them, and, as such, each such Target Indemnified Party may enforce this clause 11 against the Bidder.
- (c) The Target acknowledges and agrees that the Bidder holds the benefit of this clause 11 to the extent it relates to each Bidder Indemnified Party as trustee for them, and, as such, each such Bidder Indemnified Party may enforce this clause 11 against the Target.

12. Representations, warranties and indemnities

12.1 Representations and warranties by the Bidder and Bidder Nominee

The Bidder and the Bidder Nominee (as relevant) represents and warrants to the Target (on its own behalf and separately as trustee for each of the Target Indemnified Parties) that each of the Bidder Warranties is true and correct in all material respects and is not misleading or deceptive:

- (a) as at the date of this agreement; and
- (b) as at 5:00 pm on the Business Day prior to the Second Court Date,

unless the relevant Bidder Warranty is expressed to be given only at a particular time in which case it is given as at that time.

12.2 The Bidder indemnity

- (a) The Bidder and the Bidder Nominee acknowledge and agree that in entering into this agreement the Target and the Target Indemnified Parties have relied on the Bidder Warranties.
- (b) Subject to clause 10.9, the Bidder indemnifies the Target (on its own behalf and separately as trustee for each of the Target Indemnified Parties) against any loss suffered or incurred by reason of any breach of any of the Bidder Warranties.

12.3 Qualification of the Bidder Warranties and the indemnity

The Bidder Warranties and the indemnity under clause 12.2 are subject to facts, matters, circumstances and acts which:

- (a) are or have been expressly required to be done by the Bidder or Bidder Nominee under the Transaction Documents;
- (b) were within the actual knowledge of the Target or its Representatives as at the date of this agreement; or
- (c) have been Disclosed by the Bidder at least 3 Business Days prior to the date of this agreement.

12.4 Representations and warranties by the Target

The Target represents and warrants to the Bidder and the Bidder Nominee (on its own behalf and separately as trustee for each of the Bidder Indemnified Parties) that each of the Target Warranties is true and correct in all material respects and is not misleading or deceptive:

- (a) as at the date of this agreement; and
- (b) as at 5:00 pm on the Business Day prior to the Second Court date,

unless the relevant Target Warranty is expressed to be given only at a particular time in which case it is given as at that time.

12.5 Target indemnity

- (a) The Target acknowledges and agrees that in entering into this agreement the Bidder, the Bidder Nominee and the Bidder Indemnified Parties have relied on the Target Warranties.
- (b) Subject to clause 10.8, the Target indemnifies the Bidder (on its own behalf and separately as trustee for each of the Bidder Indemnified Parties) and the Bidder Nominee against any loss suffered or incurred by reason of any breach of any of the Target Warranties.

12.6 Qualification of the Target Warranties and the indemnity

The Target Warranties and the indemnity under clause 12.5 are subject to facts, matters, circumstances and acts which:

- (a) are or have been expressly required to be done by the Target under the Transaction Documents;
- (b) were within the actual knowledge of the Bidder or its Representatives as at the date of this agreement; or
- (c) have been Disclosed by the Target at least 3 Business Days prior to the date of this agreement.

12.7 Notifications

Each party will promptly (and in any event, within 2 Business Days) advise the other in writing if it becomes aware of any fact, matter or circumstance which constitutes or may constitute a breach of any of the representations or warranties given by it under this clause 12, with such notice to include details of the relevant circumstances and any actions taken to remedy the actual or potential breach.

12.8 Status of representations and warranties

Each representation and warranty in this clause 12:

- (a) is severable;
- (b) will survive the termination of this agreement; and
- (c) is given with the intent that liability thereunder will not be confined to breaches which are discovered prior to the date of termination of this agreement.

12.9 Status and enforcement of indemnities

- (a) Each indemnity in this agreement is a continuing obligation, separate and independent from the other obligations of the Target, the Bidder and the Bidder Nominee, and survives termination, completion or expiration of this agreement.
- (b) It is not necessary for a party to incur expense or to make any payment before enforcing a right of indemnity conferred by this agreement.

12.10 Necessary tense changes

For the purposes of clauses 12.1 and 12.4, the Bidder Warranties and the Target Warranties shall be read with any necessary adjustments to the tense used in the relevant warranty.

13. Confidentiality and public announcements

13.1 Confidentiality Deed

The Target and the Bidder acknowledge and agree that they continue to be bound by the Confidentiality Deed after the date of this agreement in respect of all information received by it from the other party on, before or after the date of this agreement and that the terms of this agreement will prevail over the terms of the Confidentiality Deed to the extent of any inconsistency.

13.2 Survival of obligations

The rights and obligations of the Target and the Bidder in relation to confidential information under the Confidentiality Deed survive termination of this agreement.

13.3 Disclosure on termination of agreement

The parties agree that, if this agreement is terminated under clause 14, any party may disclose:

- (a) the fact that this agreement has been terminated, where such disclosure is required by the Listing Rules or is in the reasonable opinion of that party required to ensure that the market in its securities is properly informed; and
- (b) the fact that this agreement has been terminated to ASIC.

13.4 Public announcements

- (a) Immediately after execution of this agreement, the Target must issue the Target Announcement to ASX.
- (b) Immediately after execution of this agreement, the Bidder must issue the Bidder Announcement to ASX.
- (c) Where a party proposes or is required to make any subsequent public announcement or disclosure in connection with the Transaction or the Scheme, that party must, before making such announcement, to the extent lawful and practicable to do so, consult with the other party prior to making the relevant announcement or disclosure and unless immediate disclosure is required must give the other party a reasonable opportunity to comment on the form and content of the public announcement or disclosure and considering in good faith any such comments from the other party.

14. Termination and remedies

14.1 Limited termination events

This agreement may only be terminated by the Bidder or the Target in the circumstances contemplated by clauses 14.2 and 14.3, or if the Target and the Bidder agree in writing to terminate this agreement.

14.2 Termination by the Bidder

The Bidder may terminate this agreement at any time before the Delivery Time:

- (a) in accordance with clause 3.7; or
- (b) by notice in writing to the Target if:
 - (i) the Target is in material breach of any clause of this agreement (including in relation to the Target Warranties but other than clause 7.1) and:
 - A. the Bidder has given written notice to the Target setting out the relevant circumstances and stating an intention to terminate this agreement; and
 - B. the relevant circumstances are not remedied and have continued to exist for 10 Business Days from the time such notice is received by the Target (or any shorter period ending at the Delivery Time);
 - (ii) there is a Material Adverse Change or Prescribed Occurrence in respect of the Target;
 - (iii) the Target Shareholders have not agreed to the Scheme at the Scheme Meeting by the requisite majorities; or
 - (iv) a Target director publicly withdraws, fails to make or adversely changes their Recommendation or Voting Intention or publicly recommends, supports or endorses a Competing Proposal, for any reason.

14.3 Termination by the Target

The Target may terminate this agreement at any time before the Delivery Time:

- (a) in accordance with clause 3.7; or
- (b) by notice in writing to the Bidder if:
 - (i) the Bidder is in material breach of any clause of this agreement and:
 - A. the Target has given written notice to the Bidder setting out the relevant circumstances and stating an intention to terminate this agreement; and
 - B. the relevant circumstances are not remedied and have continued to exist for 10 Business Days from the time such notice is received by the Bidder (or any shorter period ending at the Delivery Time); or

- (ii) the Independent Expert concludes in the Independent Expert's Report that the Scheme is not in the best interests of Target Shareholders; or
- (iii) there is a Bidder Material Adverse Change or Bidder Prescribed Occurrence in respect of the Bidder.

14.4 Effect of termination

If this agreement is terminated the provisions of this agreement (and all further obligations and liabilities of the parties under this agreement) shall cease to have effect except for the provisions of (and obligations set out in) this clause and clauses 1, 10, 11, 13, 14.5 and 15 to 17 (inclusive), 18.1 to 18.5 (inclusive), 18.7 to 18.11 (inclusive) and 19 which will survive termination.

14.5 Remedies

The parties acknowledge that damages may not be a sufficient remedy for breach of this agreement and that specific performance, injunctive relief or any other remedies which would otherwise be available in equity or law are available as a remedy for a breach or threatened breach of this agreement by any party, notwithstanding the ability of the other party to terminate this agreement or demand payment of the Target Payment or the Bidder Payment (as the case may be).

15. GST

15.1 Interpretation

- (a) Except where the context suggests otherwise, terms used in this clause have the meanings given to those terms by the A New Tax System (Goods and Services Tax) Act 1999 (Cth) (as amended from time to time).
- (b) Any part of a supply that is treated as a separate supply for GST purposes (including attributing GST payable to tax periods) will be treated as a separate supply for the purposes of this clause.
- (c) To the extent any consideration for a supply is expressly specified to be inclusive of GST, that consideration must not be taken into account in calculating the GST payable under clause 15.4(a) in relation to that supply.

15.2 GST exclusive

Unless this agreement expressly states otherwise, all consideration to be provided under this agreement is exclusive of GST.

15.3 Reimbursements and similar payments

Any payment or reimbursement required to be made under this agreement that is calculated by reference to a cost, expense, or other amount paid or incurred will be limited to the total cost, expense or amount less the amount of any input tax credit to which an entity (or the representative member of the GST group of which the entity seeking reimbursement is a member of) is entitled for the acquisition to which the cost, expense or amount relates.

15.4 GST payable

- (a) If GST is payable in relation to a taxable supply made under or in connection with this agreement then any party (**Recipient**) that is required to provide consideration to another party (**Supplier**) for that supply must pay an additional amount to the Supplier equal to the amount of that GST at the same time as other consideration is to be provided for that supply.

- (b) No payment of any amount pursuant to clause 15.4(a) is required until the Supplier has provided a valid tax invoice to the Recipient.
- (c) If the GST payable in relation to a supply made under or in connection with this agreement varies from the additional amount paid by the Recipient under clause 15.4(a) then the Supplier must promptly issue an adjustment note to the Recipient and will provide a corresponding refund or credit to, or will be entitled to receive the amount of that variation from, the Recipient. Any payment, credit or refund under this paragraph is deemed to be a payment, credit or refund of the additional amount payable under clause 15.4(a).
- (d) Clauses 15.4(a) to 15.4(c) do not apply to the extent that the consideration for the supply is subject to a reverse-charge.

16. Notices

16.1 How notice to be given

Each communication (including each notice, consent, approval, request and demand) under or in connection with this agreement:

- (a) may be given by personal service, post or email;
- (b) must be in writing;
- (c) must be addressed as follows (or as otherwise notified by that party to each other party from time to time):
 - (i) if to the Target:

Address: 64 Great Eastern Highway, South Guildford WA

Attention: Jitu Bhudia, CFO

Email: jitu.bhudia@swickmining.com

with a copy (for information purposes only) in each case to:

Email: kent.swick@swickmining.com
 - if to the Bidder or the Bidder Nominee:

Address: 21 Baile Road, Canning Vale, 6155

Attention: Company Secretary

Email: Company.Secretary@ddh1.com.au

with a copy (for information purposes only) in each case to:

Email: Ben.mackinnon@ddh1.com.au
- (d) (in the case of personal service or post) must be signed by the party making it or (on that party's behalf) by the solicitor for, or any attorney, director, secretary or authorised agent of, that party;
- (e) (in the case of email) must state that the email is a communication under this agreement; and

- (f) must be delivered by hand or posted by prepaid post to the address or sent by email to the email address, of the addressee, in accordance with this clause 16.1.

16.2 When notice taken to be received

Each communication (including each notice, consent, approval, request and demand) under or in connection with this agreement is taken to be received by the addressee:

- (a) (in the case of prepaid post sent to an address in the same country) on the third day after the date of posting;
- (in the case of prepaid post sent to an address in another country) on the fifth day after the date of posting by airmail;
- (b) (in the case of delivery by hand) on delivery; and
- (c) (in the case of email) unless the party sending the email knows or reasonably ought to suspect that the email and the attached communication were not delivered to the addressee's domain specified in the email address notified for the purposes of clause 16.1, 24 hours after the email was sent,

but if the communication would otherwise be taken to be received on a day that is not a Business Day or after 5:00 pm, it is taken to be received at 9:00 am on the next Business Day.

17. Entire agreement

The Transaction Documents and the Confidentiality Deed constitute the entire agreement between the parties in relation to their subject matter and supersede all previous agreements and understandings between the parties in relation to their subject matter.

18. General

18.1 Amendments

This agreement may only be varied by a document signed by or on behalf of each party.

18.2 Assignment

A party may not assign, novate or otherwise transfer any of its rights or obligations under this agreement without the prior written consent of the other party.

18.3 Consents

Unless this agreement expressly provides otherwise, a consent under this agreement may be given or withheld in the absolute discretion of the party entitled to give the consent and to be effective must be given in writing.

18.4 Costs

Except as otherwise provided in this agreement, each party must pay its own costs and expenses in connection with negotiating, preparing, executing and performing each Transaction Document.

18.5 Counterparts

This agreement may be executed in any number of counterparts and by the parties on separate counterparts. Each counterpart constitutes an original of this agreement, and all together constitute one agreement.

18.6 Further acts and documents

Each party must promptly do all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by another party to give effect to this agreement.

18.7 No merger

A party's rights and obligations do not merge on completion of any transaction contemplated by this agreement.

18.8 No representation or reliance

- (a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this agreement, except for representations or inducements expressly set out in this agreement and (to the maximum extent permitted by law) all other representations, warranties and conditions implied by statute or otherwise in relation to any matter relating to this agreement, the circumstances surrounding the parties' entry into it and the transactions contemplated by it are expressly excluded.
- (b) Each party acknowledges and confirms that it does not enter into this agreement in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this agreement.

18.9 Severance

If any provision or part of a provision of this agreement is held or found to be void, invalid or otherwise unenforceable (whether in respect of a particular party or generally), it will be deemed to be severed to the extent that it is void or to the extent of violability, invalidity or unenforceability, but the remainder of that provision will remain in full force and effect.

18.10 Stamp duties

The Bidder (or Bidder Nominee) must pay or procure the payment of all stamp duties and other duties together with any related fees, fines, penalties, interest or statutory charges, and similar Taxes in respect of this agreement, the performance of this agreement and each transaction effected by or made under this agreement (other than in relation to the Orexplore Demerger).

18.11 Waivers

Without limiting any other provision of this agreement, the parties agree that:

- (a) failure to exercise or enforce, or a delay in exercising or enforcing, or the partial exercise or enforcement of, a right, power or remedy provided by law or under this agreement by a party does not preclude, or operate as a waiver of, the exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this agreement;
- (b) a waiver given by a party under this agreement is only effective and binding on that party if it is given or confirmed in writing by that party; and
- (c) no waiver of a breach of a term of this agreement operates as a waiver of another breach of that term or of a breach of any other term of this agreement.

19. Governing law and jurisdiction

19.1 Governing law

This agreement is governed by the law applying in Western Australia.

19.2 Jurisdiction

Each party irrevocably:

- (a) submits to the non-exclusive jurisdiction of the courts of Western Australia, Commonwealth courts having jurisdiction in that state and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this agreement; and
- (b) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 19.2(a).

Schedule 1 - The Bidder Warranties

The Bidder and the Bidder Nominee (as relevant) represents and warrants to the Target (on its own behalf and separately as trustee for each of the Target Indemnified Parties) that:

- (a) **(Validly existing)** Bidder and Bidder Nominee are each a company properly incorporated and validly existing under the laws of its place of incorporation;
- (b) **(Authority)** the execution and delivery by the Bidder and Bidder Nominee of the Transaction Documents to which the Bidder and Bidder Nominee is party has been properly authorised by all necessary corporate action and the Bidder and Bidder Nominee each has full corporate power and lawful authority to execute and deliver such Transaction Documents and to perform or cause to be performed its obligations under such Transaction Documents;
- (c) **(Binding and enforceable)** the Transaction Documents to which the Bidder and Bidder Nominee are party constitute legal, valid and binding obligations on it, enforceable in accordance with their terms;
- (d) **(No default)** the Transaction Documents to which the Bidder and Bidder Nominee is party (and the Bidder's or and Bidder Nominee's entry into and compliance with those Transaction Documents) do not conflict with or result in a breach of or default under:
 - (i) the constitution or equivalent constituent documents of the Bidder (or Bidder Nominee, as relevant) or any of its Subsidiaries; or
 - (ii) any writ, order or injunction, judgment, law, rule, obligation or regulation to which the Bidder, Bidder Nominee or any Subsidiaries is party, or by which the Bidder, Bidder Nominee or any of Subsidiaries is bound;
- (e) **(No approvals)** as far as the Bidder and Bidder Nominee are aware, no shareholder or Regulatory Authority approvals are required to be obtained by any member of the Bidder Group in order for it to execute and perform the Transaction Documents to which it is party;
- (f) **(Capital structure)** as at the date of this agreement, there are:
 - (i) 342,804,678 Bidder Shares on issue; and
 - (ii) 1,176,362 Bidder Performance Rights on issue,
 and the Bidder has not issued any other securities, instruments or rights which may convert into Bidder Shares which are still outstanding;
- (g) **(Bidder Information)** as at the First Court Date, the date of despatch of the Scheme Booklet, the date of the Scheme Meeting and the Second Court Date:
 - (i) the Bidder Information has been prepared and included in the Scheme Booklet in good faith and on the understanding that the Target and the Target Indemnified Parties have relied, and will continue to rely, on that information for the purposes of preparing the Scheme Booklet and proposing the Scheme;
 - (ii) the Bidder Information complies in all material respects with, and contains all information regarding the Bidder, the Bidder Nominee, the Bidder Group and the Scheme Consideration required by, all relevant laws (including the Corporations Act, Listing Rules and relevant Regulatory Guides);
 - (iii) the Bidder Information (other than to the extent that it consists of information relating to the Target Group that was provided by or on behalf of the Target, or has been extracted from announcements made by the Target to ASX regarding the Target Group) in the form and context in which it appears in the Scheme Booklet is

not misleading or deceptive in any material respect and does not contain any material omission;

- (iv) any statement of opinion or belief contained in the Bidder Information is honestly held and there are reasonable grounds for holding the opinion or belief; and
 - (v) all information provided by or on behalf of the Bidder or Bidder Nominee to the Independent Expert and the Investigating Accountant (if applicable) has been prepared and provided in good faith and on the understanding that the Independent Expert and the Investigating Accountant (if applicable) has relied, and will continue to rely, on the information for the purposes of preparing the Independent Expert's and any Investigating Accountant's Report; and
- (h) **(Insolvency)** no Insolvency Event has occurred in relation to the Bidder or Bidder Nominee.

Schedule 2 - The Target Warranties

The Target represents and warrants to the Bidder and the Bidder Nominee (on its own behalf and separately as trustee for each of the Bidder Indemnified Parties) that:

- (a) **(Validly existing)** each Target Group member is a company properly incorporated and validly existing under the laws of its place of incorporation;
- (b) **(Authority)** the execution and delivery by the Target of the Transaction Documents to which the Target is party has been properly authorised by all necessary corporate action and the Target has full corporate power and lawful authority to execute and deliver such Transaction Documents and to perform or cause to be performed its obligations under such Transaction Documents;
- (c) **(Binding and enforceable)** the Transaction Documents to which the Target is party constitute legal, valid and binding obligations on it, enforceable in accordance with their terms;
- (d) **(No default)** the Transaction Documents to which the Target is party (and the Target's entry into and compliance with those Transaction Documents) do not conflict with or result in a breach of or default under:
 - (i) the constitution or equivalent constituent documents of the Target or any of its Subsidiaries; or
 - (ii) any writ, order or injunction, judgment, law, rule, obligation or regulation to which the Target or any of its Subsidiaries is party, or by which the Target or any of its Subsidiaries is bound;
- (e) **(Capacity)** it is not entering into this agreement as trustee of any trust or settlement or otherwise in a representative capacity;
- (f) **(No approvals)** no shareholder or Regulatory Authority approvals are required to be obtained by the Target Group in order for the Target to execute and perform the Transaction Documents to which it is a party;
- (g) **(Capital structure)** as at the date of this agreement, there are:
 - (i) 281,740,622 Target Shares on issue; and
 - (ii) 15 Target Warrants (estimated to be 343,843 shares at the end of the vesting period) on issue (agreed to be cancelled in connection with the Orexplora Demerger); and
 - (iii) 1,922,672 Target Performance Rights on issue,
 and the Target or its Related Bodies Corporate have not issued any other securities, instruments or rights which may convert into Target Shares which are still outstanding;
- (h) **(Target Information)** as at the First Court Date, the date of despatch of the Scheme Booklet, the date of the Scheme Meeting and the Second Court Date:
 - (i) the Target Information has been prepared and included in the Scheme Booklet in good faith and on the understanding that the Bidder, the Bidder Nominee and the Bidder Indemnified Parties have relied, and will rely, on that information for the purposes of considering and approving the Bidder Information in the Scheme Booklet;

- (ii) the Target Information complies in all material respects with relevant laws (including the Corporations Act, Corporations Regulations, Listing Rules and relevant Regulatory Guides);
 - (iii) the Target Information (as well as any Bidder Information to the extent that it consists of information relating to the Target Group that was provided to the Bidder or Bidder Nominee by or on behalf of the Target or has been extracted from announcements made by the Target to ASX regarding the Target Group) does not contain a statement which is misleading or deceptive in any material respect and does not contain any material omission;
 - (iv) any statement of opinion or belief contained in the Target Information is honestly held and there are reasonable grounds for holding the opinion or belief; and
 - (v) all information provided by or on behalf of the Target to the Independent Expert and the Investigating Accountant (if applicable) has been prepared and provided in good faith and on the understanding that the Independent Expert and the Investigating Accountant (if applicable) has relied, and will continue to rely, on the information for the purposes of preparing the Independent Expert's Report and any Investigating Accountant's Report;
- (i) **(Disclosure)** the Target is in compliance with all of the disclosure requirements under the Listing Rules, including its continuous disclosure obligations under Listing Rule 3.1 and, as at the date of this agreement, following the making by the Target of the Target Announcement to ASX pursuant to clause 13.4(a), will not be withholding any information pursuant to Listing Rule 3.1A;
 - (j) **(ASX announcements)** no material information contained in any document or announcement which any member of the Target Group has lodged, or filed with, or otherwise given to, ASIC or ASX (or which has been lodged, filed or given on behalf of a member of the Target Group) since the date 12 months prior to the date of this agreement, was misleading or deceptive in any material respect (whether by omission or otherwise) as at the date the relevant document was lodged, filed with or given to ASIC or ASX (or, if applicable, such other date that the information in the relevant document was expressed to be given);
 - (k) **(Target Due Diligence Materials)** the Target Due Diligence Materials and all other information provided to Bidder by Target in connection with this document and the transactions contemplated by this document were compiled and made available to the Bidder and its Representatives in good faith and the Target Due Diligence Materials are, to the best of the Target's knowledge:
 - (i) true and accurate as at the date of this agreement;
 - (ii) are not misleading or deceptive in any material respect when taken as a whole (including any omission; and
 - (iii) do not omit any material information known that has not otherwise been Disclosed to the Bidder and which might reasonably be considered necessary for the Bidder to make an informed decision as to whether to enter into this agreement and proceed with the transaction contemplated by it;
 - (l) **(Target factual information)** to the best of the Target's knowledge, all factual information that forms part of the Due Diligence Materials is actual in all material respects;
 - (m) **(Reasonable assumptions)** to the extent any Target Due Diligence Materials include forward looking statements, to the best of the Target's knowledge, those forward looking statements are based on assumptions which Target believes, as at the date the information was provided, were determined with reasonable care and skill;
 - (n) **(Financial reports)** the Target Group's financial statements as filed with ASX comply with all applicable statutory requirements and were prepared in accordance with the Corporations Act,

relevant accounting standards and all other applicable laws and regulations, and give a true and fair view of the financial position and assets and liabilities of the Target Group;

- (o) **(Insolvency)** no Insolvency Event has occurred in relation to the Target or its Related Bodies Corporate, nor has any regulatory action of any nature of which it is aware been taken or threatened to be taken that would prevent or restrict its ability to fulfil its obligations under this agreement;
- (p) **(Assets)** as at the date of this agreement, the Target Group owns, or has the right to use, all of the assets and real property, free and clear of any Encumbrances that are material for the conduct of the business of the Target Group, and will continue to do so upon and immediately following implementation of the Transaction;
- (q) **(Properties)** no Target Group member has any registered or beneficial interest in land other than its interest as lessee under the leases of 64 Great Eastern Highway, South Guildford WA, 4 Hyne Road, South Guildford WA and 203 Manzanita Lane, Elko, Nevada and the holding of 1,000,000 units in the 64 GEH Trust, and no Target Group member is party to any agreement or arrangement in relation to the ownership (including purchase or sale), occupation, lease, licence or use of any real property;
- (r) **(Licences, permits, authorisations and approvals)** the Target and each member of the Target Group has all material licences, permits, authorisations and approvals necessary for it to conduct its business in the manner in which it is conducted at the date of this agreement, and none of the Target or any member of the Target Group are in material breach of, or default under, any such licence, permit, authorisation or approval, nor has the Target or any of its Subsidiaries, received any notice in respect of the termination, revocation, variation or non-renewal of any such licence, permit, authorisation or approval, such that any material breach or default would not have a material adverse effect on the implementation of the Transaction;
- (s) **(Employment)** the Target Due Diligence Materials Disclose details of the period of service, remuneration package, applicable allowances, redundancy and/or termination entitlements and accrued leave (including long service leave, annual leave and personal leave) as at the date specified therein for each Relevant Employee;
- (t) **(Award and enterprise agreement coverage)** as far as the Target is aware, all employees of the Target and each member of the Target Group are properly classified as being covered, or not covered, by a transitional Instrument, modern award, enterprise agreement or other industrial instrument;
- (u) **(Workplace compliance)** as far as the Target is aware, the Target and each member of the Target Group has:
 - (i) paid all amounts due to each employee and former employee, however arising, and including pursuant to any applicable transitional instrument, modern award, enterprise agreement or other industrial instrument; and
 - (ii) otherwise complied in all material respects with all of its obligations in relation to the employment of its employees, including all obligations arising under any transitional instrument, modern award, enterprise agreement or other industrial instrument, all obligations in relation to occupational health and safety and workers' compensation, all obligations under the *Fair Work Act 2009* (Cth), and other obligations that exist in relation to the Target's employees;
- (v) **(Contractors)** as far as the Target is aware, no individual providing services to the Target and each member of the Target Group as or on behalf of a contractor is an employee of the Target or member of the Target Group;
- (w) **(Superannuation)** the Target and each member of the Target Group has made all superannuation contributions required to avoid any liability for a superannuation guarantee charge under any applicable superannuation legislation, including the *Superannuation Guarantee (Administration) Act 1992* (Cth), and as far as the Target is aware has otherwise

complied in all material respects with all of its obligations under applicable superannuation legislation, including the *Superannuation Guarantee (Administration) Act 1992* (Cth);

- (x) **(Intellectual Property Rights):**
- (i) the Target Group is the sole legal and beneficial owner of all right, title and interest in and to the Target IP;
 - (ii) the Target Group has not licensed, assigned or otherwise disposed of any right, title or interest in the Target IP and there is no obligation for the Target Group to grant a licence, assignment or other right in respect of any Target IP to any third party (including companies related to the Target Group, other than to Target or its Subsidiaries); and
 - (iii) the Target IP comprises all the Intellectual Property Rights necessary for each of Target and its Subsidiaries to operate its business as it has been operated in the 12 months before the date of this agreement;
- (y) **(Compliance with laws)** to the best of the Target's knowledge, the Target and each member of the Target Group have complied in all material respects with all applicable laws and regulations in each applicable jurisdiction in which the Target Group operates, and none of the Target or any member of the Target Group is aware of, or has received any notice of any actual or alleged material breach of any such laws or regulations by any member of the Target Group, such that any non-compliance, would not have a material adverse effect on the implementation of the Transaction;
- (z) **(Contracts)** all Material Contracts, in existence as at the date of this agreement have been Disclosed in the Target Due Diligence Materials;
- (aa) **(Compliance with contracts)** the Target and each member of the Target Group have complied in all material respects with each material contract to which it is a party, and none of the Target or any member of the Target Group is aware of any intention on the part of any counterparty to such a material contract to terminate or amend the terms of such material contract, such that any non-compliance, termination or amendment would not have a material adverse effect on the implementation of the Transaction;
- (bb) **(Rights under Material Contracts)** as at the date of this agreement, there are no Material Contracts which contain any change of control provisions, pre-emptive rights, mandatory sale or purchase obligations or similar rights that will be triggered by implementation of the Transaction (except as specifically Disclosed in the Target Due Diligence Materials);
- (cc) **(Onerous contractual obligations)** none of the Target or its Subsidiaries is party to any Material Contract that:
- (i) cannot be terminated within a 90day notice period; or
 - (ii) provides for any material take-or-pay, minimum contract volume or similar obligation on the part of the Target or any of its Subsidiaries;
- (dd) **(Third party relationships)** no Target Group member has been notified in writing by any third party that such third party intends to cease or alter the nature of its commercial or business dealings with the Target Group, where the cessation or alteration of such commercial or business dealings could be reasonably expected to have a material adverse effect on the operational or financial performance of the Target Group (taken as a whole);
- (ee) **(Financing arrangements)** to the best of the Target's knowledge, no outstanding calls or demands have been made under, or in respect of, any existing financing or security arrangements to which the Target or any of its Subsidiaries is party to or by which any member of the Target Group (or any assets thereof) is bound;

- (ff) **(No breach of any financing arrangements)** to the best of the Target's knowledge, there is no existing or unremedied material breach of, nor any material default, event of default, cancellation event, review event, prepayment event or similar event currently subsisting under any existing financing or security arrangements to which the Target or any of its Subsidiaries is party to or by which any member of the Target Group (or any assets thereof) is bound, such that any material breach, default or other event would not have a material adverse effect on the implementation of the Transaction;
- (gg) **(No Encumbrances)** on the Implementation Date, there will be no Encumbrances over all or any of the Target Group's present assets or revenues;
- (hh) **(No Target Prescribed Occurrence)** no Target Prescribed Occurrence is subsisting or has occurred between the date of this agreement and the Implementation Date;
- (ii) **(No litigation)** as at the date of this agreement, neither the Target or any of its Subsidiaries are:
- (i) a party to any material legal action, investigation, proceeding, dispute, claim, demand, notice, direction, inquiry, arbitration, mediation, dispute resolution or litigation; or
 - (ii) the subject of any material ruling, judgement, order, declaration or decree by any Regulatory Authority,
- and as far as the Target is aware, there is no such material legal action, investigation, proceeding, dispute, claim, demand, notice, direction, inquiry, arbitration, mediation, dispute resolution or litigation, dispute resolution, litigation, ruling, judgement, order, declaration or decree pending, threatened or anticipated, against the Target or its Subsidiaries;
- (jj) **(Insurance)** in respect of the insurances effected in respect of the Target Group:
- (i) the insurances provide usual insurance coverage for the business activities undertaken by the Target Group;
 - (ii) the Target Group has not carried out any business activities in respect of which it does not have usual insurance coverage;
 - (iii) each insurance is in full force and effect in accordance with its terms and all applicable premiums have been paid by the due date for payment; and
 - (iv) nothing has been done or omitted to be done that would make any insurance void or voidable or that would permit an insurer to cancel the policy or refuse or materially reduce a claim or materially increase the premium payable under any Insurance or otherwise alter the terms of the policy;
- (kk) **(Insurance claims)** as at the date of this agreement:
- (i) there are no outstanding material claims made by a Target Group member or any person on its behalf under any Insurance or an insurance policy previously taken out by or for the benefit of any Target Group member;
 - (ii) so far as the Target is aware, there are no material threatened or pending claims under any Insurance and there are no facts, matters or circumstances which could give rise to an entitlement to make a material claim under any insurance;
 - (iii) the Target Group members have notified insurers of all material claims, facts, matters and circumstances as required by the notification provisions under each insurance;

- (iv) no Target Group member has made a material claim under any insurance that has been rejected or denied by the insurer; and
 - (v) each Target Group member has in place all material insurances required by law or contract to be taken out by it, subject to excesses and deductibles;
- (II) **(No non-arm's length liabilities)** it does not owe any liabilities to any Target Shareholders or Third Parties that are outside the ordinary course of business or not on arm's length terms;
- (mm) **(Anti-bribery)** no member of the Target Group or any director, officer or employee of the Target Group, or to the knowledge of Target, any other person acting on behalf of any member of the Target Group, has:
- (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity;
 - (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; or
 - (iii) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment,

and in each case, in violation of any applicable domestic or foreign anti-bribery laws in Australia or any other jurisdiction which is applicable to the Target Group; and

- (nn) **(Money laundering laws)** the operations of the Target Group are and have been conducted at all times in compliance with all applicable money laundering legislation of Australia or any other jurisdiction which is applicable to the Target Group, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Regulatory Authority in those jurisdictions, including, but not limited to, conducting customer identification and verification in a manner consistent with the requirements of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) and the *Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument (No 1) 2007*.

Schedule 3 - Timetable

Event	Date
Send Scheme Booklet to ASIC	Mid- late November 2021
First Court Date	Early-mid December 2021
Scheme Meeting	Mid-late January 2022
Second Court Date	Mid-late January 2022
Effective Date	Late January 2022
Record Date	Late January 2022
Implementation Date	Late January 2022

Signed as an agreement.

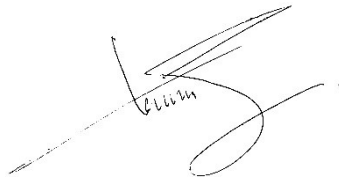
Executed by Swick Mining Services Ltd ACN 112 917 905 in accordance with section 127 of the Corporations Act 2001 (Cth):



Signature of director

Kent Swick

Full name of director



Signature of company secretary/director

Andrew Simpson

Full name of company secretary/director

Executed by DDH1 Limited ACN 636 677 088 in accordance with section 127 of the Corporations Act 2001 (Cth):

Signature of director

Full name of director

Signature of company secretary/director

Full name of company secretary/director

Executed by DDH1 FinCo Pty Ltd ACN 625 961 980 in accordance with section 127 of the Corporations Act 2001 (Cth):

Signature of director

Full name of director

Signature of company secretary/director

Full name of company secretary/director

Signed as an agreement.

Executed by Swick Mining Services Ltd ACN 112 917 905 in accordance with section 127 of the Corporations Act 2001 (Cth):

Signature of director

Full name of director

Signature of company secretary/director

Full name of company secretary/director

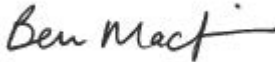
Executed by DDH1 Limited ACN 636 677 088 in accordance with section 127 of the Corporations Act 2001 (Cth):



Signature of director

Sy Van Dyk

Full name of director



Signature of company secretary/director

Ben MacKinnon

Full name of company secretary/director

Executed by DDH1 FinCo Pty Ltd ACN 625 961 980 in accordance with section 127 of the Corporations Act 2001 (Cth):



Signature of director

Sy Van Dyk

Full name of director



Signature of company secretary/director

Ben MacKinnon

Full name of company secretary/director

Annexure A - Scheme

Scheme of Arrangement

Pursuant to section 411 of the Corporations Act

Swick Mining Services Ltd

Target

Each person registered in the Target Share Register as a holder of Scheme Shares as at the Record Date

Clayton Utz
Level 27 QV.1
250 St Georges Terrace
Perth WA 6000
GPO Box 9806
Perth WA 6848
Tel +61 8 9426 8000
Fax +61 8 9481 3095
www.claytonutz.com

Contents

1.	Definitions and interpretation	1
1.1	Definitions	1
1.2	Interpretation.....	4
1.3	Business Day.....	5
2.	Conditions precedent	5
2.1	Conditions	5
2.2	Certificates in relation to Conditions	5
2.3	Conclusive evidence.....	5
2.4	Termination of Implementation Agreement	5
3.	Scheme	6
3.1	Effective Date of this Scheme	6
3.2	End Date	6
4.	Implementation of Scheme	6
4.1	Lodgement of Court Orders with ASIC	6
4.2	Transfer of Scheme Shares.....	6
4.3	Provision of Scheme Consideration	6
4.4	Joint holders	7
4.5	Unclaimed monies	7
4.6	Orders of a court or Regulatory Authority.....	8
4.7	Fractional entitlements and share splitting or division	8
4.8	Binding instruction or notifications	9
4.9	Ineligible Overseas Shareholders and Cash Out Shareholders.....	9
4.10	Status of New Bidder Shares	9
5.	Dealings in Target Shares	10
5.1	Determination of Scheme Shareholders.....	10
5.2	Target Share Register	10
5.3	Information to be made available to the Bidder	10
5.4	Effect of share certificates and holding statements.....	10
5.5	No disposals after Record Date.....	11
6.	Suspension and termination of quotation.....	11
7.	General Scheme provisions.....	11
7.1	Appointment of agent and attorney	11
7.2	Enforcement of Deed Poll.....	11
7.3	Scheme Shareholders' consent.....	11
7.4	Scheme Shareholder's agreements and warranties.....	12
7.5	Title to Scheme Shares and transfer free from Encumbrance	12
7.6	Appointment of the Bidder Nominee as sole proxy	12
7.7	Consent to alterations.....	13
7.8	Notices	13
7.9	Inconsistencies	13
7.10	Further assurance.....	13
7.11	No liability when acting in good faith	13
7.12	Stamp duties.....	13
7.13	Governing law and jurisdiction.....	13

Scheme of arrangement made under section 411 of the Corporations Act 2001 (Cth)

Date

Parties **Swick Mining Services Ltd ACN 112 917 905** of 64 Great Eastern Highway, South Guildford WA 6055 (**Target**)

Each person registered in the Target Share Register as a holder of Scheme Shares as at the Record Date

Background

- A. The Target is a public company limited by shares, incorporated in Australia and has been admitted to the official list of ASX.
- B. The Bidder is a public company limited by shares, incorporated in Australia and has been admitted to the official list of ASX.
- C. The Bidder Nominee (a wholly owned Subsidiary of the Bidder) is a proprietary company limited by shares and has been incorporated in Australia.
- D. The Target, the Bidder and the Bidder Nominee have entered into the Implementation Agreement, pursuant to which, amongst other things, the Target has agreed to propose this Scheme, and each of the Target, the Bidder and the Bidder Nominee has agreed to take certain steps to give effect to this Scheme.
- E. If this Scheme becomes Effective, the Bidder Nominee will acquire all of the Scheme Shares and the Target will enter the Bidder Nominee in the Target Share Register as the holder of the Scheme Shares.

Operative provisions

1. **Definitions and interpretation**

1.1 **Definitions**

In this Scheme, unless the contrary intention appears or the context requires otherwise:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or, as the context requires, the financial market operated by it known as the Australian Securities Exchange.

Bidder means DDH1 Limited ACN 636 677 088 of 21 Baile Road, Canning Vale WA 6155.

Bidder Nominee means DDH1 FinCo Pty Ltd ACN 625 961 980 of 21 Baile Road, Canning Vale WA 6155.

Bidder Share Register means the register of members of the Bidder maintained by or on behalf of the Bidder in accordance with section 168(1) of the Corporations Act.

Bidder Share Registry means Computershare Investor Services Pty Limited ACN 078 279 277.

Bidder Shares means fully paid ordinary shares in the capital of the Bidder.

Business Day means a day that is not a Saturday, Sunday or public holiday and on which banks are open for business generally in Perth, Western Australia.

Cash Out Shareholder means a Scheme Shareholder (not being an Ineligible Overseas Shareholder) who, based on their holding of Scheme Shares on the date of the Scheme Booklet would, on implementation of this Scheme, be entitled to receive less than a Marketable Parcel of New Bidder Shares (assessed by reference to the last traded price of Bidder Shares on ASX on the trading day prior to the date of the Scheme Booklet) as Scheme Consideration.

CHES means the clearing house electronic sub-register system for the electronic transfer of securities operated by ASX Settlement Pty Limited ABN 49 008 504 532.

Condition means each condition to this Scheme set out in clause 2.1.

Corporations Act means the Corporations Act 2001 (Cth).

Court means the Supreme Court of Western Australia or such other court of competent jurisdiction as the Target and the Bidder agree in writing.

Deed Poll means the deed poll dated [●] executed by the Bidder and Bidder Nominee in favour of the Scheme Shareholders (subject to any amendments permitted by its terms).

Delivery Time means 8:00 am on the Second Court Date.

Effective means, when used in relation to this Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to this Scheme.

Effective Date means the date on which this Scheme becomes Effective.

Eligible Scheme Shareholder means a Scheme Shareholder other than an Ineligible Overseas Shareholder or a Cash Out Shareholder.

Encumbrance means a mortgage, charge, pledge, lien, encumbrance, security interest, title retention, preferential right, trust arrangement, contractual right of set-off, or any other security agreement or arrangement in favour of any person, whether registered or unregistered, including any Security Interest.

End Date means the date that is 6 months after the date of the Implementation Agreement or such other date agreed in writing between the Target and the Bidder.

Implementation Agreement means the Scheme Implementation Agreement dated [●] between the Target, the Bidder and the Bidder Nominee under which, amongst other things, the Target has agreed to propose this Scheme, and each of the Target and the Bidder has agreed to take certain steps to give effect to this Scheme.

Implementation Date means the date that is 5 Business Days after the Record Date or such other date as the Target and the Bidder agree in writing or as ordered by the Court.

Ineligible Overseas Shareholder means a Scheme Shareholder whose address shown in the Target Share Register on the Record Date is a place outside Australia and its external territories and New Zealand, unless the Target determines that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with New Bidder Shares when the Scheme becomes Effective.

Listing Rules means the official listing rules of ASX.

Marketable Parcel means a parcel of shares that are worth not less than \$500 in accordance with the ASX Operating Rules Procedures.

New Bidder Shares means fully paid ordinary shares in the capital of the Bidder to be provided to Scheme Shareholders under the Scheme.

Record Date means 5:00 pm on the date that is 5 Business Days after the Effective Date or such other time and date agreed in writing between the Target and the Bidder.

Registered Address means in relation to a Target Shareholder, the address shown in the Target Share Register.

Regulatory Authority means:

- (a) any government or local authority, any department, minister or agency of any government and any other governmental, administrative, fiscal, monetary or judicial body; and
- (b) any other authority, agency, commission or similar entity having powers or jurisdiction under any law or regulation or the listing rules of any recognised stock or securities exchange.

Related Body Corporate has the meaning given to that term in section 50 of the Corporations Act.

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between the Target and the Scheme Shareholders as set out in this document, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act and agreed to by the Target and the Bidder.

Scheme Booklet means the Scheme Booklet to be prepared by the Target pursuant to section 412 of the Corporations Act in respect of the Scheme in accordance with the terms of the Implementation Agreement and to be despatched to Target Shareholders.

Scheme Consideration means the consideration to be provided to Scheme Shareholders for the transfer to the Bidder of their Scheme Shares comprising of the Share Consideration subject to the terms of this Scheme.

Scheme Meeting means the meeting of Target Shareholders to be convened pursuant to section 411(1) of the Corporations Act to consider and, if thought fit, to approve the Scheme.

Scheme Share means a Target Share on issue as at the Record Date, other than any Target Shares held by the Bidder or the Bidder Nominee as at the Record Date.

Scheme Shareholder means each person registered in the Target Share Register as a holder of Scheme Shares as at the Record Date.

Scheme Transfer means one or more proper instruments of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be or include a master transfer of all or part of the Scheme Shares.

Second Court Date means the first day of the hearing of an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving this Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

Security Interest has the meaning given in section 12 of the Personal Properties Securities Act 2009 (Cth).

Share Consideration means the New Bidder Shares which a Scheme Shareholder is entitled to receive as the Scheme Consideration being 0.2970 New Bidder Shares for each Scheme Share.

Subsidiary has the meaning given to it in the Corporations Act.

Target Share Register means the register of members of the Target maintained by or on behalf of the Target in accordance with section 168(1) of the Corporations Act.

Target Share Registry means Automic Pty Ltd ACN 152 260 814.

Target Shareholder means a person who is registered in the Target Share Register as a holder of Target Shares.

Target Shares means fully paid ordinary shares in the capital of the Target.

1.2 Interpretation

In this Scheme headings and labels used for definitions are for convenience only and do not affect interpretation and, unless the contrary intention appears:

- (a) a word importing the singular includes the plural and vice versa, and a word of any gender includes the corresponding words of any other gender;
- (b) the word **including** or any other form of that word is not a word of limitation;
- (c) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (d) a reference to a **person** includes an individual, the estate of an individual, a corporation, an authority, an association or parties in a joint venture, a partnership and a trust;
- (e) a reference to a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
- (f) references to paragraphs or clauses are to a paragraph or clause of this Scheme;
- (g) a reference to a document (including this Scheme) is to that document as varied, novated, ratified or replaced from time to time;
- (h) a reference to an agency or body if that agency or body ceases to exist or is reconstituted, renamed or replaced or has its powers or function removed (**obsolete body**), means the agency or body which performs most closely the functions of the obsolete body;
- (i) a reference to a statute includes any regulations or other instruments made under it (**delegated legislation**) and a reference to a statute or delegated legislation or a provision of either includes consolidations, amendments, re-enactments and replacements;
- (j) if a word or phrase is not given a defined meaning in clause 1.1 but is defined in or for the purposes of the Corporations Act, it has the same meaning when used in this Scheme;
- (k) a reference to a date or time is to that date or time in Perth, Australia; and
- (l) this Scheme or any clause in this Scheme must not be construed adversely to a party just because that party prepared it or caused it to be prepared.

1.3 Business Day

Except where otherwise expressly provided, where under this Scheme the day on which or by which any act, matter or thing is to be done is a day other than a Business Day, such act, matter or thing shall be done on the immediately preceding Business Day.

2. Conditions precedent

2.1 Conditions

This Scheme is conditional on the satisfaction of each of the following Conditions, and will have no force or effect until each of the following Conditions is satisfied:

- (a) as at the Delivery Time, each of the conditions set out in clause 3.1 of the Implementation Agreement (other than the condition relating to the approval of the Court set out in clause 3.1(b) of the Implementation Agreement) has been satisfied or waived in accordance with the terms of the Implementation Agreement;
- (b) as at the Delivery Time, neither the Implementation Agreement nor the Deed Poll has been terminated;
- (c) the Court approves this Scheme under section 411(4)(b) of the Corporations Act including any alterations made or required by the Court under section 411(6) of the Corporations Act as are acceptable to the Target and the Bidder (each acting reasonably);
- (d) such other Conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme as are acceptable to the Target and the Bidder (each acting reasonably) have been satisfied or waived; and
- (e) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to this Scheme.

2.2 Certificates in relation to Conditions

On the Second Court Date:

- (a) the Target must provide to the Court a certificate (or such other evidence as the Court may request) confirming (in respect of matters within its knowledge) whether or not the Conditions set out in clauses 2.1(a) and 2.1(b) have been satisfied or waived; and
- (b) the Bidder must provide to the Court a certificate (or such other evidence as the Court may request) confirming (in respect of matters within its knowledge) whether or not the Conditions set out in clauses 2.1(a) and 2.1(b) have been satisfied or waived.

2.3 Conclusive evidence

The giving of a certificate by each of the Target and the Bidder in accordance with clause 2.2 will, in the absence of manifest error, be conclusive evidence of the matters referred to in the certificate.

2.4 Termination of Implementation Agreement

Without limiting any rights under the Implementation Agreement, in the event that the Implementation Agreement is terminated in accordance with its terms before the Delivery Time, the Target and the Bidder are each released from:

- (a) any further obligation to take steps to implement this Scheme; and
- (b) any liability with respect to this Scheme,

provided that the Bidder and the Target retain the rights they have against each other in respect of any prior breach of the Implementation Agreement.

3. Scheme

3.1 Effective Date of this Scheme

Subject to clause 3.2, this Scheme will take effect on and from the Effective Date.

3.2 End Date

This Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the End Date, or such later date as the Target and the Bidder agree in writing.

4. Implementation of Scheme

4.1 Lodgement of Court Orders with ASIC

If the Conditions (other than the Condition set out in clause 2.1(e)) are satisfied, the Target must promptly lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Court order approving this Scheme, and in any event by no later than 5:00 pm on the Business Day following the date on which the Court approves this Scheme or such other Business Day as the Target and the Bidder agree in writing.

4.2 Transfer of Scheme Shares

On the Implementation Date:

- (a) subject to the provision of the Scheme Consideration in the manner contemplated by clause 4.3, all of the Scheme Shares will, together with all rights and entitlements attaching to the Scheme Shares, be transferred to the Bidder Nominee without the need for any further act by any Scheme Shareholder (other than acts performed by the Target or its directors as attorney and agent for the Scheme Shareholders under this Scheme) by:
 - (i) the Target delivering to the Bidder Nominee a completed Scheme Transfer duly executed on behalf of the Scheme Shareholders in accordance with clause 7.1 of this Scheme; and
 - (ii) the Bidder Nominee delivering to the Target a completed Scheme Transfer, duly executed by the Bidder Nominee, and the Bidder (or Bidder Nominee) attending to the stamping of the Scheme Transfer (if required); and
- (b) upon receipt of the Scheme Transfer in accordance with clause 4.2(a), but subject to the stamping of the Scheme Transfer (if required), the Target must enter, or procure the entry of, the name and address of the Bidder Nominee in the Target Share Register as the holder of all of the Scheme Shares.

4.3 Provision of Scheme Consideration

- (a) On the Implementation Date, the Bidder must:

- (i) issue to each Eligible Scheme Shareholder such number of New Bidder Shares as that Eligible Scheme Shareholder is entitled to as Share Consideration;
 - (ii) issue to a nominee appointed by the Bidder in accordance with clause 4.9 such number of New Bidder Shares as are attributable to the Ineligible Overseas Shareholders or Cash Out Shareholders;
 - (iii) procure the entry in the Bidder Share Register:
 - A. of the name and address of each Eligible Scheme Shareholder in respect of the New Bidder Shares issued to them; and
 - B. of the name and address of the nominee appointed by the Bidder in respect of those New Bidder Shares that would otherwise be issued to each Scheme Shareholder who is an Ineligible Overseas Shareholder or Cash Out Shareholder; and
 - (iv) within 5 Business Days after the Implementation Date, the Bidder must send or procure the despatch to each Scheme Shareholder whose New Bidder Shares are held on the issuer sponsored subregister of the Bidder or the nominee appointed by the Bidder (as the case may be) by prepaid post to their address (as recorded in the Target Share Register as at the Record Date, except in the case of the nominee appointed by the Bidder) of uncertificated holding statements for New Bidder Shares issued to the Scheme Shareholder or the nominee appointed by the Bidder (as the case may be) in accordance with this Scheme.
- (b) This clause 4.3 does not apply to a Scheme Shareholder who does not have a Registered Address or where the Target and the Bidder believe that such Scheme Shareholder (other than Ineligible Overseas Shareholders) is not known at their Registered Address.

4.4 Joint holders

In the case of Scheme Shares held in joint names:

- (a) any monies required to be paid to the Scheme Shareholders will be payable to the joint holders;
- (b) any holding statements for New Bidder Shares to be issued to Scheme Shareholders will be issued in the names of the joint holders; and
- (c) any other document required to be sent under this Scheme will be issued in the names of the joint holders,

and will be forwarded to the holder whose name appears first in the Target Share Register as at the Record Date.

4.5 Unclaimed monies

- (a) The Bidder may cancel a cheque issued under this clause 4 if the cheque:
 - (i) is returned to the Bidder; or
 - (ii) has not been presented for payment within six months after the date on which the cheque was sent.

- (b) During the period of one year commencing on the Implementation Date, on request in writing from a Scheme Shareholder to the Bidder or Target (or the Bidder Share Registry or the Target Share Registry) (which request may not be made until that date which is 10 Business Days after the Implementation Date), the Bidder must reissue a cheque that was previously cancelled under this clause 4.5.
- (c) The *Unclaimed Money Act 1990* (WA) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 3 of that Act).

4.6 Orders of a court or Regulatory Authority

If written notice is given to the Target (or the Target Share Registry) or the Bidder (or the Bidder Share Registry) of an order or direction made by a court of competent jurisdiction or by another Regulatory Authority that:

- (a) requires payment to a third party of a sum in respect of Scheme Shares held by a particular Scheme Shareholder, which sum would otherwise be payable to that Scheme Shareholder by the Target in accordance with this clause 4, then the Target will be entitled to make that payment (or procure that it is made) in accordance with that order or direction; or
- (b) requires issue to a third party of Bidder Shares in respect of Scheme Shares held by a particular Scheme Shareholder, which Bidder Shares would otherwise be required to be issued to that Scheme Shareholder by the Bidder in accordance with this clause 4, then the Bidder will be entitled to make that issue in accordance with that order or direction.

4.7 Fractional entitlements and share splitting or division

- (a) If the number of Scheme Shares held by a Scheme Shareholder at the Record Date is such that the aggregate entitlement of the Scheme Shareholder to Scheme Consideration comprising Bidder Shares is such that a fractional entitlement to a Bidder Share arises, then the entitlement of that Scheme Shareholder must be rounded up or down, with any such fractional entitlement of less than 0.5 being rounded down to the nearest whole Bidder Share and any such fractional entitlement of 0.5 or more being rounded up to the nearest whole Bidder Share.
- (b) If the Bidder is of the opinion (acting reasonably) that two or more Scheme Shareholders (each of whom holds a number of Scheme Shares which results in rounding in accordance with clause 4.7(a)) have, before the Record Date, been party to shareholding splitting or division in an attempt to obtain unfair advantage by reference to such rounding, the Bidder may give notice to those Scheme Shareholders:
 - (i) setting out their names and Registered Addresses as shown in the Target Share Register;
 - (ii) stating that opinion; and
 - (iii) attributing to one of them specifically identified in the notice the Scheme Shares held by all of them,

and, after such notice has been given, the Scheme Shareholder specifically identified in the notice as the deemed holder of all of the specified Scheme Shares will, for the purposes of the other provisions of the Scheme, be taken to hold all of those Scheme Shares and each of the other Scheme Shareholders whose names and registered addresses are set out in the notice will, for the purposes of the other provisions of the Scheme, be taken to hold no Scheme Shares. The Bidder in complying with the other provisions of the Scheme relating to it in respect of the

Scheme Shareholder specifically identified in the notice as the deemed holder of all of the specified Scheme Shares, will be taken to have satisfied and discharged its obligations to the other Scheme Shareholders named in the notice under the terms of the Scheme.

4.8 Binding instruction or notifications

Except for a Scheme Shareholder's tax file number, any binding instruction or notification between a Scheme Shareholder and the Target relating to Scheme Shares as at the Record Date (including, without limitation, any instructions relating to payment of dividends or to communications from the Target) will, from the Record Date, be deemed (except to the extent determined otherwise by the Bidder in its sole discretion) to be a similarly binding instruction or notification to, and accepted by the Bidder, in respect of the Bidder Shares issued to the Scheme Shareholder until that instruction or notification is revoked or amended in writing addressed to the Bidder at the Bidder's share registry, provided that any such instructions or notifications accepted by the Bidder will apply to and in respect of the issue of Bidder Shares as the Scheme Consideration only to the extent that they are not inconsistent with the other provisions of this Scheme.

4.9 Ineligible Overseas Shareholders and Cash Out Shareholders

- (a) The Bidder will ensure that New Bidder Shares to which an Ineligible Overseas Shareholder or a Cash Out Shareholder would otherwise have been entitled will be issued to a nominee appointed by the Bidder (and approved by ASIC if required).
- (b) The Bidder will procure that, as soon as reasonably practicable and in any event not more than 15 Business Days after the Implementation Date, the nominee:
 - (i) sells on the financial market conducted by ASX all of the New Bidder Shares issued to the nominee pursuant to clause 4.9(a) in such manner, at such price and on such other terms as the nominee determines in good faith; and
 - (ii) remits to the Bidder the proceeds of sale (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges).
- (c) Promptly after the last sale of New Bidder Shares in accordance with clause 4.9(b), the Bidder will pay to each Ineligible Overseas Shareholder and each Cash Out Shareholder the proportion of the net proceeds of sale received by the Bidder pursuant to clause 4.9(b)(ii) to which that Ineligible Overseas Shareholder or Cash Out Shareholder is entitled.
- (d) Neither the Bidder nor the Target gives any assurance as to the price that will be achieved for the sale of New Bidder Shares described in clause 4.9(b). The sale of the New Bidder Shares under this clause 4.9 will be at the risk of the Ineligible Overseas Shareholder or Cash Out Shareholder (as applicable).
- (e) The Bidder must appoint the nominee at least 14 calendar days prior to the Scheme Meeting.

4.10 Status of New Bidder Shares

The Bidder covenants in favour of the Target (in its own right and on behalf of each Scheme Shareholder) that:

- (a) the New Bidder Shares issued as Scheme Consideration will, on their issue, rank equally in all respects with all other Bidder Shares on issue at the Effective Date, and the New Bidder Shares issued as Scheme Consideration will be entitled to participate in and receive any dividends, any distribution of capital and any other entitlements accruing in respect of Bidder Shares after the Effective Date;

- (b) it will use best endeavours to ensure that the New Bidder Shares issued as Scheme Consideration will be listed for quotation on the official list of ASX with effect from the Business Day after the Effective Date (or such later date as ASX may require), initially on a deferred settlement basis and, with effect from the Business Day following the Implementation Date, on an ordinary (T+2) settlement basis; and
- (c) on issue, each New Bidder Share will be fully paid and, to the extent within the control of Bidder, free from any Encumbrance.

5. Dealings in Target Shares

5.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in Target Shares or other alterations to the Target Share Register will only be recognised by the Target provided that:

- (a) in the case of dealings of the type to be effected on CHESS, the transferee is registered in the Target Share Register as the holder of the relevant Target Shares by the Record Date; and
- (b) in all other cases, registrable transfers or transmission applications in respect of those dealings are received by the Record Date at the place where the Target Share Register is kept,

and the Target will not accept for registration, or recognise for any purpose (except a transfer to the Bidder Nominee pursuant to this Scheme and any subsequent transfer by the Bidder Nominee or its successors in title), any transmission application or transfer in respect of Target Shares received on or after the Record Date, or received prior to the Record Date but not in registrable or actionable form.

5.2 Target Share Register

The Target will, until the Scheme Consideration has been paid and the Bidder Nominee has been entered in the Target Share Register as the holder of all of the Scheme Shares, maintain the Target Share Register in accordance with the provisions of this clause 5 and the Target Share Register in this form and the terms of this Scheme will solely determine entitlements to the Scheme Consideration.

5.3 Information to be made available to the Bidder

The Target must procure that as soon as practicable following the Record Date, details of the names, Registered Addresses and holdings of Scheme Shares of every Scheme Shareholder shown in the Target Share Register at the Record Date are made available to the Bidder in such form as the Bidder may reasonably require.

5.4 Effect of share certificates and holding statements

As from the Record Date (and other than for the Bidder Nominee following the Implementation Date), all share certificates and holding statements for the Scheme Shares will cease to have effect as documents of title, and, subject to provision of the Scheme Consideration by the Bidder and registration of the transfer to the Bidder Nominee of the Scheme Shares contemplated by clauses 4.2 and 4.3, each entry on the Target Share Register (other than for the Bidder Nominee) at that date will cease to have any effect other than as evidence of entitlement to the Scheme Consideration in respect of the Scheme Shares relating to that entry.

5.5 No disposals after Record Date

If this Scheme becomes Effective, a Scheme Shareholder, and any person claiming through that Scheme Shareholder, must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after the Record Date and any such disposal will be void and of no legal effect whatsoever.

6. Suspension and termination of quotation

- (a) The Target must apply to ASX for suspension of trading of the Target Shares on ASX with effect from the close of trading on the Effective Date.
- (b) The Target must apply to ASX for:
 - (i) termination of official quotation of the Target Shares on ASX; and
 - (ii) the removal of the Target from the official list of ASX,
 with effect from the close of business on the Business Day immediately following the Implementation Date.

7. General Scheme provisions

7.1 Appointment of agent and attorney

Each Scheme Shareholder, without the need for any further act, irrevocably appoints the Target (and each of its directors and officers, jointly and severally) as its agent and attorney for the purpose of:

- (a) executing any document or form or doing any other act necessary to give effect to the terms of this Scheme including, without limitation, the execution of the Scheme Transfer to be delivered under clause 4.2 and the giving of the Scheme Shareholders' consent under clause 7.3; and
- (b) enforcing the Deed Poll against the Bidder or the Bidder Nominee,

and the Target accepts such appointment. The Target, as agent and attorney of each Scheme Shareholder, may sub delegate its functions, authorities or powers under this clause 7.1 to all or any of its directors and officers (jointly, severally, or jointly and severally).

7.2 Enforcement of Deed Poll

The Target undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against the Bidder and the Bidder Nominee (as applicable on behalf of and as agent and attorney for the Scheme Shareholders).

7.3 Scheme Shareholders' consent

Each Scheme Shareholder irrevocably:

- (a) consents to the Target, the Bidder and the Bidder Nominee doing all things and executing all deeds, instruments, transfers or other documents as may be necessary, incidental or expedient to the implementation and performance of this Scheme; and
- (b) acknowledges that this Scheme binds the Target and all of the Scheme Shareholders (including those who do not attend the Scheme Meeting, do not vote at that meeting or vote against this Scheme).

7.4 Scheme Shareholder's agreements and warranties

Each Scheme Shareholder:

- (a) to whom New Bidder Shares are to be issued in accordance with this Scheme:
 - (i) agrees to become a member of the Bidder and to have their name entered in the Bidder Share Register; and
 - (ii) accepts the Bidder Shares issued under this Scheme on the terms and conditions of the constitution of the Bidder and agrees to be bound by the constitution of the Bidder as in force from time to time in respect of the Bidder Shares,

without the need for any further act by a Scheme Shareholder;
- (b) irrevocably agrees to the transfer of their Scheme Shares together with all rights and entitlements attaching to those Scheme Shares in accordance with this Scheme;
- (c) irrevocably agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme;
- (d) irrevocably agrees to, on the direction of the Bidder, destroy any holding statements or share certificates relating to their Scheme Shares; and
- (e) is deemed to have warranted to the Bidder and the Bidder Nominee and, to the extent enforceable, appointed and authorised the Target as its agent to warrant to the Bidder and the Bidder Nominee that all its Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) will, at the date of the transfer of them to the Bidder Nominee, be fully paid and free from all security interests including mortgages, charges, liens, encumbrances, pledges, Security Interests and interests of third parties of any kind, whether legal or otherwise, and from any restrictions on transfer of any kind, and that it has full power and capacity to sell and to transfer those Scheme Shares together with any rights and entitlements attaching to such shares to the Bidder Nominee under this Scheme.

7.5 Title to Scheme Shares and transfer free from Encumbrance

- (a) Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 4.3, the Bidder Nominee will be beneficially entitled to the Scheme Shares transferred to it under this Scheme pending registration by the Target of the Bidder Nominee in the Target Share Register as the holder of the Scheme Shares.
- (b) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to the Bidder Nominee, will, at the time of transfer to the Bidder Nominee, vest in the Bidder Nominee free from all security interests (including mortgages, charges, liens, encumbrances, pledges, Security Interests and interests of third parties of any kind, whether legal or otherwise, and from any restrictions on transfer of any kind).

7.6 Appointment of the Bidder Nominee as sole proxy

Subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by clause 4.3 of this Scheme, on and from the Implementation Date until the Target registers the Bidder Nominee as the holder of all of the Scheme Shares in the Target Share Register, each Scheme Shareholder:

- (a) irrevocably appoints the Bidder Nominee and each of its directors from time to time (jointly and each of them individually) as its sole proxy, and where applicable corporate representative, to attend shareholders' meetings, exercise the votes attaching to Scheme Shares registered in its name and sign any shareholders resolution, and no Scheme Shareholder may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this clause 7.6(a)); and
- (b) must take all other actions in the capacity of the registered holder of Scheme Shares as the Bidder Nominee reasonably directs.

7.7 Consent to alterations

If the Court proposes to approve this Scheme subject to any alterations or conditions, the Target may, by its counsel or solicitors, and with the consent of the Bidder, consent on behalf of all persons concerned, including a Scheme Shareholder, to any modification of or amendment to this Scheme which the Court thinks fit to impose.

7.8 Notices

- (a) Where a notice, transfer, transmission application, direction or other communication referred to in the Scheme is sent by post to the Target, it will not be deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at the Target's registered office or at the Target Share Registry as the case may be.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Target Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

7.9 Inconsistencies

This Scheme binds the Target and all Scheme Shareholders (including Scheme Shareholders who do not attend the Scheme Meeting, do not vote at that meeting or vote against the Scheme), and to the extent of any inconsistency and permitted by law, overrides the Target constitution.

7.10 Further assurance

The Target will execute all documents and do all acts and things (on its own behalf and on behalf of any other person) as may be necessary or expedient for the implementation of, and performance of its obligations under, this Scheme.

7.11 No liability when acting in good faith

None of the Target, the Bidder and the Bidder Nominee, nor any of their respective officers or employees, will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

7.12 Stamp duties

The Bidder (or Bidder Nominee) must pay or procure the payment of all stamp duties and other duties together with any related fees, fines, penalties, interest or statutory charges, and similar taxes in respect of this Scheme and the Deed Poll, the performance of the Deed Poll and each transaction effected by or made under this Scheme and the Deed Poll.

7.13 Governing law and jurisdiction

- (a) This Scheme is governed by the law applying in Western Australia.

- (b) Each party irrevocably:
- (i) submits to the non-exclusive jurisdiction of the courts of Western Australia, Commonwealth courts having jurisdiction in that state and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this Scheme; and
 - (ii) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 7.13(b)(i).

Annexure B - Deed Poll

Deed Poll

DDH1 Limited

Bidder

DDH1 FinCo Pty Ltd

Bidder Nominee

In favour of each person registered in the Target Share Register as a holder of Scheme Shares as at the Record Date

Clayton Utz
Level 27 QV.1
250 St Georges Terrace
Perth WA 6000
GPO Box 9806
Perth WA 6848
Tel +61 8 9426 8000
Fax +61 8 9481 3095
www.claytonutz.com

Contents

1.	Definitions and interpretation	1
1.1	Definitions	1
1.2	Interpretation.....	2
1.3	Nature of deed poll	2
2.	Conditions	3
2.1	Conditions Precedent	3
2.2	Termination.....	3
2.3	Consequences of termination.....	3
3.	Scheme obligations	3
3.1	Scheme Consideration	3
3.2	Official quotation of New Bidder Shares.....	3
4.	Representations and warranties	4
5.	Continuing obligations.....	4
6.	Notices	4
6.1	Form.....	4
6.2	Manner.....	5
6.3	Time.....	5
6.4	Initial details	5
6.5	Changes	5
7.	General.....	6
7.1	Assignment.....	6
7.2	Cumulative rights	6
7.3	Further action.....	6
7.4	Stamp duties.....	6
7.5	Variation.....	6
7.6	Waiver.....	6
7.7	Merger	7
7.8	Moratorium legislation.....	7
7.9	Costs.....	7
7.10	Time.....	7
7.11	Counterparts	7
8.	Governing law and jurisdiction	7

Deed Poll

Date

Parties **DDH1 Limited** ACN 636 677 088 of 21 Baile Road, Canning Vale WA 6155 (**Bidder**)
DDH1 FinCo Pty Ltd ACN 625 961 980 of 21 Baile Road, Canning Vale WA 6155
(**Bidder Nominee**)

In favour of Each person registered in the Target Share Register as a holder of Scheme Shares as at the Record Date (**Scheme Shareholders**)

Background

- A. The Target, the Bidder and the Bidder Nominee have entered into the Implementation Agreement.
- B. The Target has agreed in the Implementation Agreement to propose the Scheme, the effect of which will be that the Bidder Nominee will acquire all of the Scheme Shares from the Scheme Shareholders, subject to the satisfaction of certain conditions.
- C. In accordance with clause 4.2(j) of the Implementation Agreement, the Bidder and the Bidder Nominee are entering into this deed poll.

Operative provisions

1. Definitions and interpretation

1.1 Definitions

In this deed poll:

First Court Date means the first day of the hearing of an application made to the Court for an order pursuant to section 411(1) of the Corporations Act convening the Scheme Meeting or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

Implementation Agreement means the scheme implementation agreement dated [●] between the Target, the Bidder and the Bidder Nominee pursuant to which, amongst other things, the Target has agreed to propose the Scheme, and each of the Target, the Bidder and the Bidder Nominee has agreed to take certain steps to give effect to the Scheme.

Scheme means the proposed scheme of arrangement under Part 5.1 of the Corporations Act between the Target and the Scheme Shareholders, substantially in the form of Annexure A to the Implementation Agreement, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act and agreed to by the Target and the Bidder in writing.

Target means Swick Mining Services Ltd ACN 112 917 905 of 64 Great Eastern Highway, South Guilford WA 6055.

Capitalised terms have the meaning given to them in the Scheme, unless the context requires otherwise.

1.2 Interpretation

In this deed poll headings and labels used for definitions are for convenience only and do not affect interpretation and, unless the contrary intention appears:

- (a) a word importing the singular includes the plural and vice versa, and a word of any gender includes the corresponding words of any other gender;
- (b) the word **including** or any other form of that word is not a word of limitation;
- (c) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (d) a reference to a **person** includes an individual, the estate of an individual, a corporation, an authority, an association or parties in a joint venture, a partnership and a trust;
- (e) a reference to a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
- (f) references to paragraphs or clauses are to a paragraph or clause of this deed poll;
- (g) a reference to a document (including this deed poll) is to that document as varied, novated, ratified or replaced from time to time;
- (h) a reference to an agency or body if that agency or body ceases to exist or is reconstituted, renamed or replaced or has its powers or function removed (**obsolete body**), means the agency or body which performs most closely the functions of the obsolete body;
- (i) a reference to a statute includes any regulations or other instruments made under it (**delegated legislation**) and a reference to a statute or delegated legislation or a provision of either includes consolidations, amendments, re-enactments and replacements;
- (j) if a word or phrase is not given a defined meaning in clause 1.1 but is defined in or for the purposes of the Corporations Act, it has the same meaning when used in this deed poll;
- (k) a reference to a date or time is to that date or time in Perth, Australia; and
- (l) this deed poll or any clause in this deed poll must not be construed adversely to a party just because that party prepared it or caused it to be prepared.

1.3 Nature of deed poll

Each of the Bidder and the Bidder Nominee acknowledge and agree that:

- (a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints the Target and each of its directors and officers (jointly and each of them severally) as its agent and attorney to enforce this deed poll against the Bidder and/or the Bidder Nominee.

2. Conditions

2.1 Conditions Precedent

The obligations of the Bidder and the Bidder Nominee under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

The obligations of the Bidder and the Bidder Nominee under this deed poll will automatically terminate and the terms of this deed poll will be of no further force or effect if:

- (a) the Implementation Agreement is terminated in accordance with its terms; or
- (b) the Scheme does not become Effective by the End Date,

unless the Target and the Bidder otherwise agree in accordance with the Implementation Agreement.

2.3 Consequences of termination

If this deed poll is terminated under clause 2.2 then, in addition and without prejudice to any other rights, powers or remedies:

- (a) each of the Bidder and the Bidder Nominee is released from its obligations to further perform this deed poll except those obligations under clause 7.4 and any other obligations which by their nature survive termination; and
- (b) each Scheme Shareholder retains the rights it has against the Bidder and/or the Bidder Nominee in respect of any breach of this deed poll which occurs before it was terminated.

3. Scheme obligations

3.1 Scheme Consideration

Subject to clause 2:

- (a) the Bidder undertakes in favour of each Scheme Shareholder to, on the Implementation Date, issue to each Eligible Scheme Shareholder such number of New Bidder Shares as that Eligible Scheme Shareholder is entitled to as Scheme Consideration; and
- (b) the Bidder and the Bidder Nominee each undertake in favour of each Scheme Shareholder to undertake all other actions attributed to it under, and otherwise comply with, the Scheme, as if named as a party to the Scheme, subject to and in accordance with the terms of the Scheme, including to pay the Scheme Consideration to each Scheme Shareholder in accordance with clause 4.3 of the Scheme and to comply with clause 4.9 of the Scheme.

3.2 Official quotation of New Bidder Shares

The Bidder will seek confirmation from ASX that the New Bidder Shares will be listed for quotation on the official list of ASX, with effect from the Business Day after the Effective Date (or such later date as ASX may require), initially on a deferred settlement basis and, with effect from the Business Day following the Implementation Date, on an ordinary (T+2) settlement basis.

4. Representations and warranties

Each of the Bidder and the Bidder Nominee represent and warrant that:

- (a) **(Status)** it is a validly existing corporation registered under the laws of its place of incorporation;
- (b) **(Power)** it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) **(Authorisation)** it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;
- (d) **(Binding)** this deed poll is valid and binding on it and is enforceable against it in accordance with its terms;
- (e) **(Transaction permitted)** the execution and performance by it of this deed poll and each transaction contemplated by this deed poll does not and will not violate in any respect:
 - (i) any writ, order or injunction, judgment, law, rule or regulation to which it is party, or by which it is bound; or
 - (ii) the constitution or equivalent constituent documents of it or any of its Related Bodies Corporate (as defined in the Implementation Agreement) or any material term or provision of any of its material agreements; and
- (f) **(Solvency)** it is solvent and no resolution has been passed nor has any other step been taken or legal action or proceedings commenced or threatened against it for its winding up or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets.

5. Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until the earlier of:

- (a) the Bidder and the Bidder Nominee fully performing their respective obligations under this deed poll; or
- (b) the termination of this deed poll under clause 2.2.

6. Notices

6.1 Form

Any notice or other communication to or by any party must be:

- (a) in writing and in the English language;
- (b) addressed to the address of the recipient in clause 6.4 or to any other address as the recipient may have notified the sender in writing; and
- (c) be signed by the party or by an authorised officer of the sender.

6.2 Manner

In addition to any other method of service authorised by law, the notice may be:

- (a) personally served on a party;
- (b) left at the party's current address for service;
- (c) sent to the party's current address for service by prepaid express post; or
- (d) sent by electronic mail to the party's electronic mail address.

6.3 Time

If a notice is sent or delivered in the manner provided in clause 6.2 it must be treated as given to or received by the addressee in the case of:

- (a) delivery in person, when delivered;
- (b) delivery by post:
 - (i) in Australia to an Australian address, the third Business Day after posting; or
 - (ii) in any other case, on the tenth Business Day after posting; or
- (c) electronic mail, unless the party sending the email knows or reasonably ought to suspect that the email and the attached communication were not delivered, two hours after the sender's computer reports that the message has been delivered to the electronic mail address of the addressee,

but if delivery is made after 5.00pm on a Business Day it must be treated as received on the next Business Day in that place.

6.4 Initial details

The addresses and numbers for service are initially:

Bidder or Bidder Nominee:

Address: 21 Baile Road, Canning Vale, 6155

Electronic Mail: Company.Secretary@ddh1.com.au

Attention: Company Secretary

with a copy (for information purposes only) in each case to:

Email: Ben.mackinnon@ddh1.com.au

6.5 Changes

A party may from time to time change its address or numbers for service by notice to each other party.

7. General

7.1 Assignment

The rights and obligations of the Bidder, the Bidder Nominee and each Scheme Shareholder under this deed poll are personal and must not be assigned, charged or otherwise dealt with at law or in equity.

7.2 Cumulative rights

The rights, powers and remedies in connection with this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by the law independently of this deed poll.

7.3 Further action

Each of the Bidder and the Bidder Nominee will, at its own expense, promptly do all things and execute and deliver all further documents required by law to give effect to this deed poll and the transactions contemplated by it.

7.4 Stamp duties

The Bidder (or the Bidder Nominee) must pay or procure the payment of all stamp duties and other duties together with any related fees, fines, penalties, interest or statutory charges, and similar taxes in respect of this deed poll, the performance of this deed poll and each transaction effected by or made under this deed poll.

7.5 Variation

A provision of this deed poll may not be varied unless:

- (a) before the First Court Date, the variation is agreed to in writing by the Target, the Bidder and the Bidder Nominee; or
- (b) on or after the First Court Date, the variation is agreed to in writing by the Target, the Bidder and the Bidder Nominee and the Court indicates that the variation would not preclude approval of the Scheme,

in which event the Bidder and the Bidder Nominee will enter into a further deed poll in favour of the Scheme Shareholders giving effect to such variation.

7.6 Waiver

- (a) Waiver of any right arising from a breach of this deed poll or of any right, power, authority, discretion or remedy arising upon default under this deed poll must be in writing and signed by the person granting the waiver. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.
- (b) A failure or delay in exercise, partial exercise, or enforcement of:
 - (i) any right, power or remedy provided by law or under this deed poll; or
 - (ii) any right, power, authority, discretion or remedy created or arising upon default under this deed poll,

by any person will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this deed poll.

- (c) A person is not entitled to rely on a delay in the exercise or non-exercise of a right, power, authority, discretion or remedy arising from a breach of this deed poll or on a default under this deed poll as constituting a waiver of that right, power, authority, discretion or remedy.
- (d) A person may not rely on any conduct of another person as a defence to the exercise of a right, power, authority, discretion or remedy by that other person.
- (e) This clause 7.6 may not itself be waived except in writing.

7.7 Merger

If the liability of a party to pay money under this deed becomes merged in any deed, judgment, order or other thing, the party liable must pay interest on the amount owing from time to time under that deed, judgment, order or other thing at the higher of the rate payable under this deed and that fixed by or payable under that deed, judgment, order or other thing.

7.8 Moratorium legislation

Any law which varies prevents or prejudicially affects the exercise by a party of any right, power or remedy conferred on it under this deed is excluded to the extent permitted by law.

7.9 Costs

Each party is responsible for all its own costs incurred in the negotiation and performance of this deed including legal costs.

7.10 Time

- (a) Time is of the essence of this deed poll.
- (b) If the parties agree to vary a time requirement, the time requirement so varied is of the essence of this deed poll.
- (c) An agreement to vary a time requirement must be in writing.

7.11 Counterparts

This deed may be executed in any number of counterparts each of which will be considered an original but all of which will constitute one and the same instrument. A party who has executed a counterpart of this deed may deliver it to, or exchange it with, another party by:

- (a) faxing; or
 - (b) emailing a pdf (portable document format) copy of,
- the executed counterpart to that other party.

8. Governing law and jurisdiction

- (a) This deed poll is governed by the law applying in Western Australia.
- (b) The Bidder and the Bidder Nominee each irrevocably and unconditionally submit to the non-exclusive jurisdiction of the courts of Western Australia, Commonwealth courts having jurisdiction in that state and the courts competent to determine appeals from those courts, with respect to any proceedings in connection with this deed poll.

- (c) The Bidder and the Bidder Nominee each waive any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 8(b).

Executed as a deed poll.

Executed by **DDH1 Limited** in accordance with section 127 of the Corporations Act 2001 (Cth):

Signature of director

Signature of company secretary/director

Full name of director

Full name of company secretary/director

Executed by **DDH1 FinCo Pty Ltd ACN 625 961 980** in accordance with section 127 of the Corporations Act 2001 (Cth):

Signature of director

Signature of company secretary/director

Full name of director

Full name of company secretary/director

ANNEXURE F

LETTER OF VARIATION DEED

15 December 2021

The Directors
Swick Mining Services Ltd
64 Great Eastern Highway
South Guildford WA 6055

Dear Directors

Variation to the Scheme Implementation Agreement and Scheme of Arrangement

We refer to the Scheme Implementation Agreement between DDH1 Limited ACN 636 677 088, DDH1 FinCo Pty Ltd ACN 625 961 980 and Swick Mining Services Ltd ACN 112 917 905 dated 21 October 2021 (**Agreement**) and Annexure A to the Agreement, being the Scheme of Arrangement (**Annexure A**).

In accordance with clause 18.1 of the Agreement, the parties agree to vary the Agreement and Annexure A as set out in, and in accordance with the terms of, this variation letter.

The Agreement is varied as follows:

1. in clause 1.1, the definition of "Cash Out Shareholder" is deleted in its entirety;
2. in clause 1.1, the definition of " Marketable Parcel" is deleted in its entirety;
3. clause 5.4 is deleted, and replaced with the following new clause 5.4:

"5.4 Ineligible Overseas Shareholders

- (a) The Bidder will ensure that New Bidder Shares to which an Ineligible Overseas Shareholder would otherwise have been entitled will be issued to a nominee appointed by the Bidder (and approved by ASIC if required).
- (b) The Bidder will procure that, as soon as reasonably practicable and in any event not more than 15 Business Days after the Implementation Date, the nominee:
 - (i) sells on the financial market conducted by ASX all of the New Bidder Shares issued to the nominee pursuant to clause 5.4(a) in such manner, at such price and on such other terms as the nominee determines in good faith; and
 - (ii) remits to the Bidder the proceeds of sale (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges).
- (c) Promptly after the last sale of New Bidder Shares in accordance with clause 5.4(b), the Bidder will pay to each Ineligible Overseas Shareholder the proportion of the net proceeds of sale received by the Bidder pursuant to clause 5.4(b)(ii) to which that Ineligible Overseas Shareholder is entitled.
- (d) Neither the Bidder nor the Target gives any assurance as to the price that will be achieved for the sale of New Bidder Shares described in clause 5.4(b). The sale of the New Bidder Shares under this clause 5.4 will be at the risk of the Ineligible Overseas Shareholder.
- (e) The Bidder must appoint the nominee at least 14 calendar days prior to the Scheme Meeting."

Annexure A is varied as follows:

L\343007086.1

Error! Unknown document property name.

1. in clause 1.1, the definition of "Cash Out Shareholder" is deleted in its entirety;
2. in clause 1.1, the definition of " Marketable Parcel" is deleted in its entirety;
3. in clause 1.1, the definition of "Eligible Scheme Shareholder" is deleted in its entirety and replaced with the following new definition:

"Eligible Scheme Shareholder means a Scheme Shareholder other than an Ineligible Overseas Shareholder."
4. clause 4.3(a)(ii) is deleted, and replaced with the following new clause 4.3(a)(ii):
 - (a) "(ii) issue to a nominee appointed by the Bidder in accordance with clause 4.9 such number of New Bidder Shares as are attributable to the Ineligible Overseas Shareholders;"
5. clause 4.3(a)(iii)B is deleted, and replaced with the following new clause 4.3(a)(iii)B:
 - (a) "B. of the name and address of the nominee appointed by the Bidder in respect of those New Bidder Shares that would otherwise be issued to each Scheme Shareholder who is an Ineligible Overseas Shareholder; and"
6. clause 4.9 is deleted, and replaced with the following new clause 4.9:
"4.9 Ineligible Overseas Shareholders
 - (a) The Bidder will ensure that New Bidder Shares to which an Ineligible Overseas Shareholder would otherwise have been entitled will be issued to a nominee appointed by the Bidder (and approved by ASIC if required).
 - (b) The Bidder will procure that, as soon as reasonably practicable and in any event not more than 15 Business Days after the Implementation Date, the nominee:
 - (i) sells on the financial market conducted by ASX all of the New Bidder Shares issued to the nominee pursuant to clause 4.9(a) in such manner, at such price and on such other terms as the nominee determines in good faith; and
 - (ii) remits to the Bidder the proceeds of sale (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges).
 - (c) Promptly after the last sale of New Bidder Shares in accordance with clause 4.9(b), the Bidder will pay to each Ineligible Overseas Shareholder the proportion of the net proceeds of sale received by the Bidder pursuant to clause 4.9(b)(ii) to which that Ineligible Overseas Shareholder is entitled.
 - (d) Neither the Bidder nor the Target gives any assurance as to the price that will be achieved for the sale of New Bidder Shares described in clause 4.9(b). The sale of the New Bidder Shares under this clause 4.9 will be at the risk of the Ineligible Overseas Shareholder.
 - (e) The Bidder must appoint the nominee at least 14 calendar days prior to the Scheme Meeting.

The variation takes effect from the date the last party signs this letter.

All terms in the Agreement remain in full force and effect without variation except for the terms amended in this letter.

All capitalised terms in this variation letter have the same meaning as in the Agreement, unless otherwise set out in this variation letter.

Please confirm your agreement to this variation letter by countersigning it.

This variation letter may be executed in any number of counterparts by or on behalf of a party and by the parties in separate counterparts. Each counterpart constitutes an original of this variation letter, and all together constitute one agreement.

By execution of this letter agreement, the undersigned parties acknowledge and agree to the variation of the Agreement as per the above terms and conditions.

Executed as a deed

Executed by Swick Mining Services Ltd ACN 112 917 905 in accordance with section 127 of the Corporations Act 2001 (Cth):

Signature of director

Full name of director

Signature of company secretary/director

Full name of company secretary/director

Executed by DDH1 Limited ACN 636 677 088 in accordance with section 127 of the Corporations Act 2001 (Cth):

Signature of director

Full name of director



Signature of company secretary/director

BEN MACKINNON

Full name of company secretary/director

Executed by DDH1 FinCo Pty Ltd ACN 625 961 980 in accordance with section 127 of the Corporations Act 2001 (Cth):

Signature of director

Full name of director



Signature of company secretary/director

BEN MACKINNON

Full name of company secretary/director

By execution of this letter agreement, the undersigned parties acknowledge and agree to the variation of the Agreement as per the above terms and conditions.

Executed as a deed

Executed by Swick Mining Services Ltd ACN 112 917 905 in accordance with section 127 of the Corporations Act 2001 (Cth):

Signature of director

Signature of company secretary/director

Full name of director


Full name of company secretary/director

Executed by DDH1 Limited ACN 636 677 088 in accordance with section 127 of the Corporations Act 2001 (Cth):



Signature of director


Signature of company secretary/director



Full name of director

Full name of company secretary/director

Executed by DDH1 FinCo Pty Ltd ACN 625 961 980 in accordance with section 127 of the Corporations Act 2001 (Cth):



Signature of director

Signature of company secretary/director



Full name of director

Full name of company secretary/director

By execution of this letter agreement, the undersigned parties acknowledge and agree to the variation of the Agreement as per the above terms and conditions.

Executed as a deed

Executed by Swick Mining Services Ltd ACN 112 917 905 in accordance with section 127 of the Corporations Act 2001 (Cth):



Signature of director



Full name of director

Signature of company secretary/director

Full name of company secretary/director

Executed by DDH1 Limited ACN 636 677 088 in accordance with section 127 of the Corporations Act 2001 (Cth):

Signature of director

Full name of director

Signature of company secretary/director

Full name of company secretary/director

Executed by DDH1 FinCo Pty Ltd ACN 625 961 980 in accordance with section 127 of the Corporations Act 2001 (Cth):

Signature of director

Full name of director

Signature of company secretary/director

Full name of company secretary/director

By execution of this letter agreement, the undersigned parties acknowledge and agree to the variation of the Agreement as per the above terms and conditions.

Executed as a deed

Executed by Swick Mining Services Ltd ACN 112 917 905 in accordance with section 127 of the Corporations Act 2001 (Cth):

Signature of director

Full name of director

[Handwritten signature]
ANDREW V SIMPSON

15/12/2021

Signature of company secretary/director

Full name of company secretary/director

Executed by DDH1 Limited ACN 636 677 088 in accordance with section 127 of the Corporations Act 2001 (Cth):

Signature of director

Full name of director

Signature of company secretary/director

Full name of company secretary/director

Executed by DDH1 FinCo Pty Ltd ACN 625 961 980 in accordance with section 127 of the Corporations Act 2001 (Cth):

Signature of director

Full name of director

Signature of company secretary/director

Full name of company secretary/director

ANNEXURE G

INVESTIGATING ACCOUNTANT'S REPORT



Grant Thornton

An instinct for growth™

The Board of Directors
Swick Mining Services Ltd
64 Great Eastern Highway
South Guildford WA 6055

The Board of Directors
DDH1 Limited
21 Baile Road
Canning Vale WA 6155

**Grant Thornton Corporate
Finance Pty Ltd**
Level 17
383 Kent Street
Sydney NSW 2000
Locked Bag Q800
Queen Victoria Building NSW
1230
T +61 2 8297 2400

26 November 2021

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT AND FINANCIAL SERVICES GUIDE

INTRODUCTION

Grant Thornton Corporate Finance Pty Limited (“Grant Thornton Corporate Finance”) has been engaged by Swick Mining Services Limited (“Swick”) and DDH1 Limited (“DDH1”) to prepare this report for inclusion in the scheme booklet to be dated on or about 26 November 2021 (the “Scheme Booklet”) to be issued by Swick, in respect of the proposed acquisition (the “Transaction”) by DDH1 (together the “Combined Group”).

Grant Thornton Corporate Finance Pty Ltd (“Grant Thornton Corporate Finance”) holds an Australian Financial Services Licence (AFS Licence Number 247140). This report is both an Independent Limited Assurance Report, the scope of which is set out below, and a Financial Services Guide, as attached at Appendix A.

Expressions defined in the Scheme Booklet have the same meaning in this report, unless otherwise specified.

SCOPE

You have requested Grant Thornton Corporate Finance to perform a limited assurance engagement in relation to the unaudited pro forma historical consolidated financial information described below and disclosed in the Scheme Booklet:

The unaudited pro forma historical consolidated financial information is presented in the Scheme Booklet in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001 (Cth).

ABN-59 003 265 987 ACN-003 265 987 AFSL-247140

Grant Thornton Corporate Finance Pty Ltd ABN 59 003 265 987 ACN 003 265 987 a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127556 389 Holder of Australian Financial Services Licence No. 247140 ‘Grant Thornton’ refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another’s acts or omissions. In the Australian context only, the use of the term ‘Grant Thornton’ may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

www.grantthornton.com.au

Combined Group Unaudited Pro Forma Historical Consolidated Financial Information

The unaudited pro forma historical consolidated financial information of the Combined Group included in the Scheme Booklet has been derived from the audited historical consolidated financial information of Swick and DDH1, after adjusting for the effects of the pro forma adjustments described in Section 8.6 of the Scheme Booklet. The unaudited pro forma historical consolidated financial information of the Combined Group consists of:

- the Combined Group unaudited pro forma historical consolidated statement of comprehensive income for the year ended 30 June 2021 (FY2021) is based on Swick's audited historical consolidated statement of comprehensive income for FY2021 and DDH1's audited historical consolidated statement of comprehensive income for FY2021 and the pro forma adjustments applied to the audited historical consolidated statements of comprehensive income (the "Combined Group Unaudited Pro Forma Historical Consolidated Income Statement" as set out in Section 8.6(c) of the Scheme Booklet).
- the Combined Group unaudited pro forma historical consolidated statement of cash flows for FY2021 based on Swick's audited historical consolidated statement of cash flows for FY2021 and DDH1's audited historical consolidated statement of cash flows for FY2021 and the pro forma adjustments applied to the audited historical consolidated statements of cash flows; (the "Combined Group Unaudited Pro Forma Historical Consolidated Statement of Cash Flows" as set out in Section 8.6(f) of the Scheme Booklet); and
- the Combined Group unaudited pro forma historical consolidated statement of financial position at 30 June 2021 based on Swick's audited historical consolidated statement of financial position at 30 June 2021 and DDH1's audited historical consolidated statement of financial position at 30 June 2021 and the pro forma adjustments applied to the audited historical consolidated statements of financial position; (the "Combined Group Unaudited Pro Forma Historical Consolidated Statement of Financial Position" as set out in Section 8.6(d) of the Scheme Booklet).

(together the "Combined Group Unaudited Pro Forma Historical Consolidated Financial Information").

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in Section 8.6(b) of the Scheme Booklet. Due to its nature, the Combined Group Unaudited Pro Forma Historical Consolidated Financial Information does not represent the Combined Group's actual or prospective financial position, financial performance, and/or cash flows.

The Combined Group Unaudited Pro Forma Historical Consolidated Financial Information has been compiled by Swick and DDH1 for illustrative purposes to provide an indication of the financial performance (income statement and cash flows) and financial position of the Combined Group as if the Scheme had been implemented prior to 1 July 2020 in respect of the financial performance and cash flows, and prior to 30 June 2021 in respect of the financial position.

DIRECTORS' RESPONSIBILITY

The Directors of Swick are responsible for the preparation and presentation of the Combined Group Unaudited Pro Forma Historical Consolidated Financial Information including the selection and determination of the pro forma transactions and/ or adjustments, and for properly compiling the Combined Group Unaudited Pro Forma Historical Consolidated Financial Information on the basis stated in Section 8.6(b) of the Scheme Booklet.

This responsibility includes for the operation of such internal controls as the Directors determine are necessary to enable the preparation of financial information that are free from material misstatement, whether due to fraud or error.

OUR RESPONSIBILITY

Our responsibility is to express a limited assurance conclusion on the Combined Group Unaudited Pro Forma Historical Consolidated Financial Information based on the procedures performed and the evidence we have obtained.

We have conducted our engagement in accordance with the Australian Standard on Assurance Engagements (ASAE) 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly we do not express an audit opinion about whether the Combined Group Unaudited Pro Forma Historical Consolidated Financial Information is prepared, in all material respects by Swick and DDH1 in accordance with the stated basis of preparation.

We have performed the following procedures as we, in our professional judgement, considered reasonable in the circumstances.

- consideration of work papers, accounting records and other documents, including those dealing with the extraction of the Unaudited Pro Forma Historical Consolidated Financial Information of Swick and DDH1 for FY2021;
- enquiry of the Directors, management in relation to the Unaudited Pro Forma Historical Consolidated Financial Information of Swick and DDH1 for FY2021;
- analytical procedures applied to the Unaudited Pro Forma Historical Consolidated Financial Information;
- a review of the consistency of the application of the stated basis of preparation as described in the Scheme Booklet used in the preparation of the Unaudited Pro Forma Historical Consolidated Financial Information;

Our limited assurance engagement has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdiction outside of Australia and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

We have assumed, and relied on representations from Swick and DDH1; that all material information concerning the Combined Group Unaudited Pro Forma Historical Consolidated Financial Information has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

CONCLUSIONS

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Combined Group Unaudited Pro Forma Historical Consolidated Financial Information comprising the:

- Combined Group Unaudited Pro Forma Historical Consolidated Income Statement as set out in Section 8.6(c) of the Scheme Booklet;
- Combined Group Unaudited Pro Forma Historical Consolidated Statement of Cash Flows as set out in Section 8.6(f) of the Scheme Booklet; and
- Combined Group Unaudited Pro Forma Historical Consolidated Statement of Financial Position as set out in Section 8.6(d) of the Scheme Booklet

is not presented fairly, in all material aspects, in accordance with the stated basis of preparation described in Section 8.6(b) of the Scheme Booklet.

Restrictions on Use

Without modifying our conclusions, we draw attention to Section 8.6(b) of the Scheme Booklet, which describes the purpose of the Combined Group Unaudited Pro Forma Historical Consolidated Financial Information, being for inclusion in the Scheme Booklet. As a result, this Independent Limited Assurance Report may not be suitable for use for another purpose.

Consent

Grant Thornton Corporate Finance Pty Limited has consented to the inclusion of this Independent Limited Assurance Report in the Scheme Booklet in the form and context in which it is included.

Liability

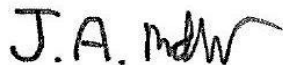
The liability of Grant Thornton Corporate Finance Pty Limited is limited to the inclusion of this report in the Scheme Booklet. Grant Thornton Corporate Finance makes no representation regarding, and has no liability, for any other statements or other material in, or omissions from the Scheme Booklet.

Independence or Disclosure of Interest

Grant Thornton Corporate Finance does not have any interest in the outcome of the proposed Scheme, other than in connection with the preparation of this report and participation in due diligence procedures for which normal professional fees will be received.

Yours faithfully

GRANT THORNTON CORPORATE FINANCE PTY LTD



Jonathan Mather
Partner

Appendix A (Financial Services Guide)

This Financial Services Guide is dated 26 November 2021.

1 About us

Grant Thornton Corporate Finance Pty Ltd (ABN 59 003 265 987 and Australian Financial Services Licence no 247140) ("Grant Thornton Corporate Finance") has been engaged by Swick Mining Services Limited ("Swick") and DDH1 Limited ("DDH1") to provide general financial product advice in the form of an Independent Limited Assurance Report (the "Report") in relation to a scheme of arrangement (the "Scheme"). This report is included in the Scheme Booklet dated on or about 26 November 2021 (the "Scheme Booklet"). You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

2 This Financial Services Guide

This Financial Services Guide (FSG) is designed to assist retail clients in their use of any general financial product advice contained in the report. This FSG contains information about Grant Thornton Corporate Finance generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the report, and how complaints against us will be dealt with.

3 Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities and superannuation products and deal in a financial product by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of securities and superannuation products.

ABN-59 003 265 987 ACN-003 265 987 AFSL-247140

Grant Thornton Corporate Finance Pty Ltd ABN 59 003 265 987 ACN 003 265 987 a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127556 389 Holder of Australian Financial Services Licence No. 247140 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of Australian Financial Services Licensees).

www.grantthornton.com.au

4 General financial product advice

The Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services License to assist you in this assessment.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

5 Fees, commissions and other benefits we may receive

Grant Thornton Corporate Finance charges fees to produce reports, including the report. These fees are negotiated and agreed with the entity which engages Grant Thornton Corporate Finance to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this report, Grant Thornton Corporate Finance will receive a fee of \$60,000 (plus GST), which is based on commercial rates plus reimbursement of out-of-pocket expenses.

Partners, Directors, employees or associates of Grant Thornton Corporate Finance, or its related bodies corporate, may receive dividends, salary or wages from Grant Thornton Australia Ltd. None of those persons or entities receive non-monetary benefits in respect of, or that is attributable to, the provision of the services described in this FSG.

6 Referrals

Grant Thornton Corporate Finance - including its Partners, Directors, employees, associates and related bodies corporate - does not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

7 Associations with issuers of financial products

Grant Thornton Corporate Finance and its Partners, Directors, employees or associates and related bodies corporate may from time to time have associations or relationships with the issuers of financial products. For example, Grant Thornton Australia Ltd may be the auditor of, or provide financial services to the issuer of a financial product and Grant Thornton Corporate Finance may provide financial services to the issuer of a financial product in the ordinary course of its business.

In the context of the Report, Grant Thornton Corporate Finance considers that there are no such associations or relationships which influence in any way the services described in this FSG.

8 Independence

Grant Thornton Corporate Finance is required to be independent of Swick and DDH1 in order to provide this report. The following information in relation to the independence of Grant Thornton Corporate Finance is stated below.

“Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with Swick and DDH1 (and associated entities) that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Scheme.”

Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the Scheme, other than the preparation of this report.

Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the Scheme.

Grant Thornton Corporate Finance's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report."

9 Complaints

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Australian Financial Complaints Authority (AFCA) (membership no. 11800). All complaints must be in writing and addressed to the Head of Corporate Finance at Grant Thornton Corporate Finance. We will endeavor to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to AFCA who can be contacted at:

Australian Financial Complaints Authority

GPO Box 3

Melbourne, VIC 3001

Telephone: 1800 367 287

Email: info@afca.org.au

Grant Thornton Corporate Finance is only responsible for the Report and FSG. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

10 Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

11 Contact Details

Grant Thornton Corporate Finance can be contacted by sending a letter to the following address:

Head of Corporate Finance

Grant Thornton Corporate Finance Pty Ltd

Level 17, 383 Kent Street

Sydney, NSW, 2000



Innovative • Productive • Safe