

SWICK MINING SERVICES

ABN: 20 112 917 905

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16 DECEMBER 2021

ASX ANNOUNCEMENT

Court Orders Convening Scheme Meeting and Despatch of Scheme Booklet

Western Australia – Swick Mining Services Limited (Swick, ASX: SWK), a leading provider of high-quality underground mineral drilling and mineral analysis services, refers to the announcement on 22 October 2021 that it had entered into a Scheme Implementation Agreement with DDH1 Limited (ASX:DDH) (**DDH1**) in relation to the proposed acquisition of Swick by DDH1 by way of scheme of arrangement between Swick and its shareholders (**Scheme**).

Scheme Meeting

Swick is pleased to announce that on 16 December 2021 the Supreme Court of Western Australia made orders approving the despatch of the Scheme Booklet and ordered the convening of a meeting of Swick shareholders to consider and, if thought fit, approve the Scheme (**Scheme Meeting**).

Shareholders will be able attend the Scheme Meeting in person only. The Scheme Meeting will be held on 17 January 2022 at 10.00am (AWST time) at Aloft Perth, 27 Rowe Avenue, Rivervale, WA 6103.

If the situation in relation to COVID-19 were to change in a way that affected the planned meeting, Swick will provide a further update ahead of the Scheme Meeting by releasing an announcement on the ASX Announcement Platform.

Despatch of Scheme Booklet

In accordance with the Court orders and recent amendments to the *Corporations Act 2001* (Cth), Swick will be despatching the Scheme Booklet to Swick shareholders electronically. The letter will also contain instructions on how Swick shareholders can request a physical copy of the Scheme Booklet. No physical copies of the Scheme Booklet will be despatched to Swick shareholders, unless required.

Following ASIC registration, the Scheme Booklet will be available for viewing and downloading on Swick's website at www.swickmining.com and Swick's ASX Announcement Platform at www.asx.com.au. 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.

Swick shareholders who have elected to receive communications electronically will receive an email which contains instructions about how the Scheme Booklet can be viewed or downloaded, together with a personalised proxy form, as well as instructions on how to lodge their proxy form for the Scheme Meeting.

Swick shareholders who have not elected to receive communications electronically will be sent a letter and instructions about how the Scheme Booklet can be viewed or downloaded, together with a personalised proxy form.

Any Swick shareholder who would like a printed copy of the Scheme Booklet may request one be provided by contacting the Company Secretary on the telephone number stated below.

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.

Further Information

All Swick shareholders are encouraged to vote either by attending the Scheme Meeting in-person, or by appointing a proxy, corporate representative, or attorney to attend the Scheme Meeting on their behalf.

If you require any further information or have any questions please contact Mr Frank Campagna (Company Secretary) on +61 8 9277 8800 between 9.00am and 5.00pm (AWST time).

Variation to Scheme Implementation Agreement

On 15 December 2021, Swick, DDH1 and DDH1 FinCo Pty Ltd (**DDH1 FinCo**) entered into a variation to the binding Scheme Implementation Agreement (**SIA**) announced on 22 October 2021.

Pursuant to the deed of variation, previous arrangements under the Scheme allowing Cash Out Shareholders (ie. Scheme Shareholders (who are not Ineligible Overseas Shareholders) who would have been entitled to receive less than a Marketable Parcel of New DDH1 Shares as Scheme Consideration) to receive cash in lieu of DDH1 Shares under the Scheme are no longer in place. 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. A copy of this deed is annexed.

-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

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.

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:

1. in clause 1.1, the definition of "Cash Out Shareholder" is deleted in its entirety;

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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

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

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