

SWICK MINING SERVICES

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ASX ANNOUNCEMENT

SWICK – Invests in mineral analysis business, Orexlore AB

- ☐ Orexlore AB is a mineral analysis and measurement technology Company that has created a unique, patented portable X-ray mineral scanner that is currently in the design and development stage and will ultimately allow accurate, real time assay and structural analysis in the field.
- ☐ Initial purchase of 23% shareholding 6.6m Swedish Krona (AUD \$1.1m¹)
- ☐ Ongoing Research and Development commitment of 33.2m Swedish Krona (AUD \$5.4m¹) over 5 years

Western Australia – (November 6, 2013) – Swick Mining Services Limited (“Swick” or “the Company”; ASX: SWK), a leading provider of high quality and high value underground and surface mineral drilling services today agreed to purchase a significant shareholding and undertake further ongoing investment in Orexlore AB, a mineral analysis technology and product development business based in Sweden.

Orexlore AB is a mineral analysis and measurement technology Company that has created a unique, patented portable X-ray mineral scanner that is currently in the design and development stage and will ultimately allow accurate, real time assay and structural analysis in the field. The product has the potential to perform rapid, exact analyses of the elemental composition in ores, which greatly reduces sampling lead-time and brings both environmental and economic benefits at the prospecting stage. Orexlore began operating in 2010, and since then has made significant progress in its research and development.

Swick’s ongoing investment in Orexlore will be over a five year period, subject to agreed research and development milestones. Swick’s initial investment is the purchase a 23% shareholding in the Company from a seed shareholder, Inlands Innovation AB (Press Release attached), for SEK6.6m (AUD\$1.1m¹). A further equity investment of SEK16.6m (AUD\$2.7m¹) over 2.5 years will increase Swick’s equity ownership in Orexlore AB to 52%.

In addition to the equity funding, Swick has committed to providing a further SEK16.6m (AUD\$2.7m¹) over a further 2.5 year period through a Convertible Debt structure if required to finalise development and commercialisation of the products. The total investment over that five year period, including the initial upfront acquisition of a 23% shareholding, will therefore be up to SEK39.8m (A\$6.5m¹). The new capital investment into Orexlore will be used for further development and commercialisation of a range of products.

Swick has also entered into other agreements with Orexlore AB, which provide Swick with certain marketing rights over Orexlore products, as well as research and development services to develop additional products for application in Swick’s core markets.



Commenting on the transaction, Kent Swick said *"The investment in Orexplore is consistent with Swick's commitment to being a leading innovator within the mineral drilling industry, through research and development activities that drive improved productivity and efficiency. The investment will also provide an excellent opportunity for Swick to leverage its already strong position and reputation within the market to potentially provide a more diversified range of valuable products and services to our clients in the future."*

Commenting on the technology, Mr. Swick added *"I am very excited by the development of this technology and when commercially released, this could potentially be the most significant development in the drilling industry since the invention of the hydraulic, top drive drill rig. The ability to provide detailed sample information to the client's technical team as the samples are extracted will add enormous efficiency to the mining industry and greatly increase the chances of exploration success."*

Orexplore's Managing Director Kevin Rebenius stated *"With Swick as a long term industrial partner, we will be able to further develop the Orexplore product and access worldwide markets for our mineral analysis solutions."*

Note 1 - Australian dollar amounts in this announcement are based on an AUD:SEK exchange rate of 1:6.1328.

About Swick Mining Services:

Swick Mining Services Ltd (ASX:SWK) is one of Australia's largest mineral drilling contractors, providing high quality underground and surface 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, Canada, United States and Europe.

For further information re this announcement, please contact the following on +61 8 9277 8800:

Kent Swick
Managing Director

Bryan Wesley
Chief Financial Officer

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.

Press release 06.11.13

Inlandsinnovation in major deal to internationalise Orexlore

Inlandsinnovation is selling its entire stake in Orexlore to the Australian company Swick Mining Services, thereby furthering the internationalisation of Swedish innovation technology in the mineral exploration field.

Orexlore AB marked one of Inlandsinnovation's first investments. It is now entering a new phase of commercialisation and internationalisation following Inlandsinnovation's decision to sell the whole of its 23 per cent holding in the company to Swick Mining Services Ltd, one of the world's largest mineral drilling contractors. The deal represents Inlandsinnovation's first exit.

"Inlandsinnovation has served as a catalyst, enabling us to move rapidly out of the prototype stage into a commercially powerful position," says Orexlore CEO Kevin Rebenius. "For our part, the deal with Swick Mining Services means both that we have secured financing and a commitment from an industrial investor and that our products can be introduced in the international market."

"We're selling our stake in Orexlore to Australia's biggest entrepreneur in the mineral drilling business," says Gunnar Olofsson, Inlandsinnovation's CEO. "Swick is a stable industrial partner for Orexlore's continuing development as an international actor in mineral analysis. We entered Orexlore early and helped create the potential for attracting foreign capital to an innovative company operating in northern Sweden."

Orexlore AB has developed a portable X-ray scanner mainly targeting the mining market. The product performs rapid, exact analyses of the metal content in ores, which reduces lead-time and brings both environmental and economic benefits at the prospecting stage. Orexlore began operating in 2010, and since April 2012 Inlandsinnovation has invested SEK 6 million in equity capital in the company for product development and establishment purposes.

Swick Mining Services Ltd is listed on the Australian Securities Exchange (ASX:SWK) and is ranked among the ten largest mineral drilling contractors in the world. It provides underground and surface drilling services to mining companies that mine or prospect for precious and base metals. The main markets are Australia and North America. Besides its international operations in the US and Canada, Swick Mining Services also operates in Portugal.

For further information:

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Inlandsinnovation AB is a state-owned venture capital company that invests in growth companies in all sectors in northern Sweden. It mainly commits equity capital and has a financing framework of SEK 2 billion. The company aims to promote growth and international competitiveness in the counties of Norrbotten, Västerbotten, Jämtland, Västernorrland, Gävleborg, Dalarna and Värmland. Inlandsinnovation has 7 employees and offices in Östersund. Read more at www.inlandsinnovation.se.