



Mitchell
SERVICES

13 July 2021

MITCHELL SERVICES LIMITED

(ASX: MSV)

SMS Innovative Mining receivable update

Mitchell Services Limited (**the Company**) refers to its ASX announcements made on 12 February 2021, 26 February 2021, 16 March 2021, 29 April 2021 and 24 June 2021 in which it advised that:

- The Company's wholly owned subsidiary Mitchell Operations Pty Ltd (MO) had terminated a drill and blast contract (Contract) with SMS Innovating Mining Pty Ltd (SMS) for failure by SMS to pay invoices due and owing under the Contract;
- MO had served a statutory demand on SMS;
- SMS had made an application to set aside MO's statutory demand (Proceeding);
- The cumulative value of all unpaid invoices issued to SMS under the Contract up to and including the date of contract termination is approximately \$9,600,000.

The Company wishes to announce that MO and SMS have agreed to resolve all claims relating to, in connection with or arising out of, the Proceeding and the Contract on the basis that SMS pay to MO the sum of \$5,000,000.

The \$5,000,000 settlement sum will be paid in 3 tranches as follows:

- Tranche 1 - \$3,000,000 payable within 7 days
- Tranche 2 - \$1,000,000 payable by 30 September 2021
- Tranche 3 - \$1,000,000 payable by 30 December 2021

The Proceeding will be discontinued and the statutory letter of demand withdrawn upon MO and SMS giving effect to the terms of the settlement.

This announcement has been authorised by the Company's Board of Directors.

For more information, contact:

Andrew Elf – Chief Executive Officer

Telephone +61 7 3722 7222 or 0413 608 018

Mitchell Services Limited

ABN 31 149 206 333

112 Bluestone Circuit
Seventeen Mile Rocks Qld 4073 Australia
PO Box 3250 Darra Qld 4076 Australia

t +61 7 3722 7222

e info@mitchellservices.com.au

f +61 7 3722 7256

w www.mitchellservices.com.au