

20 October 2017

The Manager  
Company Announcement Office  
Australian Stock Exchange  
Level 4, 20 Bridge Street  
Sydney NSW 2000

## **ASX Announcement**

### **Mitchell Services Limited (ASX: MSV) Notice of Annual General Meeting**

Mitchell Services Limited advises that its Annual General Meeting will be held on 22 November 2017, commencing at 10.00 am (Brisbane time) at Morgans Financial Ltd, Level 29, 123 Eagle Street, Brisbane, Queensland.

Please find attached the Notice of Annual General Meeting, Explanatory Memorandum and Proxy form which are being despatched today.

Signed for and on behalf of Mitchell Services Limited:



Greg Switala  
Company Secretary



**Mitchell**  
SERVICES

# Notice of Annual General Meeting

Mitchell Services Limited ACN 149 206 333

Notice is given that the Annual General Meeting of Mitchell Services Limited (**Company**) will be held at:

<b>Location</b>	Morgans Financial Ltd, Level 29, 123 Eagle Street, Brisbane
<b>Date</b>	22 November 2017
<b>Time</b>	10.00am (Brisbane time)

## Ordinary business

### Financial statements and reports

'To receive and consider the financial report, Directors' report and auditor's report for the financial year ended 30 June 2017.'

This item of business is for discussion at the Meeting and is not a resolution.

### Resolution 1 – Adoption of the remuneration report

To consider, and if in favour, pass the following resolution in accordance with section 250R of the Corporations Act:

'That the remuneration report for the financial year ended 30 June 2017 be adopted.'

### Resolution 2 – Re-election of Nathan Mitchell as Director

To consider, and if in favour, pass the following resolution as an ordinary resolution:

'That Nathan Mitchell, who retires in accordance with rule 5.1 of the Company's constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.'

## Special business

### Resolution 3 – Ratification and approval of Placement

To consider, and if in favour, pass the following resolution as an ordinary resolution:

'That for the purposes of Listing Rule 7.4, and for all other purposes, the Shareholders ratify the issue of 74,000,000 shares in the Company for the purposes and on the terms set out in this Notice of Meeting.'

### Resolution 4 – Approval of additional 10% placement capacity under Listing Rule 7.1A

To consider, and if in favour, pass the following resolution as a special resolution:

'That for the purposes of Listing Rule 7.1A, and for all other purposes, Shareholders approve the Company having the additional capacity to issue equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, over a 12-month period from the date of this Meeting (or until a transaction under Listing Rule 11.1.2 or 11.2 is approved by Shareholders).'

Dated: 20 October 2017

By order of the Board

Greg Switala  
Company Secretary

## 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](mailto:info@mitchellservices.com.au)

f +61 7 3722 7256

w [www.mitchellservices.com.au](http://www.mitchellservices.com.au)

## Notes

- (a) A member who is entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy.
- (b) The proxy need not be a member of the Company. A member who is 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.
- (c) If you wish to appoint a proxy and are entitled to do so, then complete and return the **attached** proxy form by 10.00am (Brisbane time) on 20 November 2017.
- (d) A corporation may elect to appoint a representative in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the Meeting.
- (e) The Company has determined under regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that for the purpose of voting at the Meeting or adjourned meeting, Shares are taken to be held by those persons recorded in the Company's register of Shareholders as at 7pm (Brisbane time) 20 November 2017.
- (f) If you have any queries on how to cast your vote then you can call the Company on 07 3722 7222 during business hours.

## Voting exclusions

In accordance with the Corporations Act and the Listing Rules, the Company will disregard any votes cast on the respective resolutions by the following persons:

<b>Resolution 1</b> – Adoption of the remuneration report	<p>No votes may be cast on Resolution 1 in any capacity by or on behalf of a member of the key management personnel, details of whose remuneration are included in the remuneration report, or a closely related party of such member (including certain of their family members, dependants and companies they control), unless:</p> <ul style="list-style-type: none"> <li>(a) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on the resolution; or</li> <li>(b) the person is the chair of the Meeting and the appointment of the chair as proxy: <ul style="list-style-type: none"> <li>(i) does not specify the way the proxy is to vote; and</li> <li>(ii) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of key management personnel.</li> </ul> </li> </ul>
<b>Resolution 3</b> – Ratification and approval of Placement	No votes may be cast on Resolution 3 by a person and any associates of that person who participated in the issue of the Shares under the Placement.
<b>Resolution 4</b> – Approval of additional 10% placement capacity under Listing Rule 7.1A	No votes may be cast on Resolution 4 by a person and any associates of that person who may participate in the proposed issue of the securities, or might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 4 is passed, or an associate of such person.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## 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

# Explanatory memorandum

Mitchell Services Limited ACN 149 206 333

---

## Introduction

This explanatory memorandum is provided to the Shareholders of the Company to explain the resolutions to be put to the Shareholders at the Annual General Meeting to be held at Morgans Financial Ltd, Level 29, 123 Eagle Street, Brisbane on 22 November 2017 at 10.00am (Brisbane time).

The Board recommends that Shareholders read the accompanying Notice of Meeting and this explanatory memorandum in full before making any decision in relation to the resolutions.

## Financial statements and reports

- 1 The Corporations Act requires the Company's financial report (which includes the financial statements and Directors' declaration), Directors' report and auditor's report to be laid before the Meeting. There is no requirement either in the Corporations Act or the Company's constitution for Shareholders to approve the financial report, Directors' report or auditor's report. Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on these reports.
- 2 Whilst no resolution is required in relation to this item, the auditor of the Company or their representative will be available to receive questions relevant to:
  - (a) the conduct of the audit;
  - (b) the preparation and content of the auditor's report;
  - (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
  - (d) the independence of the auditor in relation to the conduct of the audit.

## Resolution 1 – Adoption of the remuneration report

- 3 The annual report for the financial year ended 30 June 2017 contains a remuneration report which sets out the remuneration policies applicable to the Company and reports the remuneration arrangements that were in place for the Company's Directors and senior executives for the financial year ended 30 June 2017.
- 4 A reasonable opportunity will be provided for discussion of the remuneration report at the Meeting before Shareholders are asked to vote on Resolution 1, to adopt the remuneration report.
- 5 The vote on the resolution is advisory only and does not bind the Directors or the Company. However, your Directors will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

### 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](mailto:info@mitchellservices.com.au)

f +61 7 3722 7256

w [www.mitchellservices.com.au](http://www.mitchellservices.com.au)

- 6 Under the provisions of the Corporations Act known generally as the "two strikes rule", Shareholders should note that if 25% or more of the votes that are cast are voted against the adoption of the remuneration report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than any managing director who may continue to hold office indefinitely without re-election under the Listing Rules) must stand for re-election. Shareholders should be aware that at the Company's 2016 annual general meeting, less than 25% of the votes that were cast voted against the adoption of the 2016 remuneration report. Accordingly, no spill resolution can result at this Meeting.

#### **Directors' recommendation**

- 7 Noting that each Director has a personal interest in his own remuneration from the Company, the Directors unanimously recommend that you vote in favour of Resolution 1.

#### **Resolution 2 – Re-election of Nathan Mitchell as Director**

- 8 In accordance with rule 5.1 of the Company's constitution, Nathan Mitchell will retire by rotation from office at the Meeting, and being eligible, offers himself for re-election as a Director.
- 9 Mr Mitchell has been involved in the drilling industry for virtually his entire life. With a career spanning almost 30 years, he has a proven track record as an industry leader in technical development and business growth. Previously, as CEO of Mitchell Drilling Contractors, Mr Mitchell led the Company through a period of rapid local growth and directed an international expansion into India, China, Indonesia, the United States and southern Africa.

#### **Independent Directors' recommendation**

- 10 The Directors (with Mr Mitchell abstaining) unanimously recommend that Shareholders vote in favour of Resolution 2.

#### **Resolution 3 – Ratification of Placement**

- 11 On 21 September 2017, the Company announced that it had completed a placement to sophisticated and profession investors raising approximately \$2.52 million (**Placement**). The Placement involved the issue of 74,000,000 Shares (**Placement Shares**) at an issue price of \$0.034 per Share.
- 12 Listing Rule 7.1 allows the Company to issue a maximum of 15% of its capital in any 12-month period without requiring Shareholder approval. Listing Rule 7.1A allows eligible entities (companies that are outside the S&P/ASX 300 index and that also have a market capitalisation of \$300 million or less) to issue further securities up to an additional 10% of the Company's issued capital over a 12 month period provided that Shareholder approval by way of a special resolution is received from the Shareholders at an annual general meeting. This 10% placement capacity is in addition to the Company's annual 15% placement capacity that is permitted by Listing Rule 7.1 and is subject to slightly different rules and requirements. The Company obtained Shareholder approval for an additional 10% placement capacity at its annual general meeting on 26 October 2016.
- 13 The Placement Shares were issued without Shareholder approval using part of the Company's placement capacity under Listing Rule 7.1A.
- 14 Listing Rule 7.4 provides that an issue of securities made without shareholder approval under Listing Rule 7.1 or 7.1A can be treated as having been made with that approval if shareholders subsequently approve it. In accordance with Listing Rule 7.4, Shareholder approval is therefore sought to ratify the issue and allotment of the Placement Shares.

#### **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@mitschellservices.com.au](mailto:info@mitschellservices.com.au)

f +61 7 3722 7256

w [www.mitchellservices.com.au](http://www.mitchellservices.com.au)

15 By ratifying the issue of the Placement Shares, the Company will retain the flexibility to issue equity securities in the next 12 months up to the 15% annual placement capacity set out in Listing Rule 7.1, and the additional 10% placement capacity under Listing Rule 7.1A, without requiring Shareholder approval.

16 For the purposes of Listing Rule 7.5, the Company advises that:

<b>Number of securities issued</b>	74,000,000 Shares were issued under the Placement.
<b>Date the Company issued the securities</b>	The Placement Shares were issued on 21 September 2017.
<b>Price at which the securities were issued</b>	\$0.034 per Placement Share.
<b>Terms of the securities</b>	The Placement Shares are fully paid ordinary shares and rank equally with all other existing Shares presently on issue.
<b>Recipients of the securities</b>	Sophisticated and professional investors that fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act.
<b>Use or intended use of the funds raised</b>	The funds raised by the Placement will be used to fund the preparation and mobilisation of unutilised rigs and associated equipment, procurement of consumables and recruitment of personnel to fulfil current and expected contract pipeline requirements and additional working capital.

#### Directors' recommendation

17 The Directors unanimously recommend that you vote in favour of Resolution 3.

#### Resolution 4 – Approval of additional 10% capacity under Listing Rule 7.1A

18 Listing Rule 7.1 allows the Company to issue a maximum of 15% of its capital in any 12-month period without requiring Shareholder approval. In accordance with Listing Rule 7.1A, eligible entities (companies that are outside the S&P/ASX 300 index and that also have a market capitalisation of \$300 million or less), can obtain shareholder approval at an annual general meeting to issue a further 10% of the company's share capital on a non-pro rata basis over a 12 month period following the annual general meeting (or in the event that there is a transaction involving a significant change to the nature or scale of the company's activities, the date of the approval by holders of the company's ordinary securities of the transaction under Listing Rules 11.1.2 or 11.2).

19 At the date of this Notice of Meeting, the Company is an eligible entity and is expected to remain so at the time of the Meeting. In the event that the Company is no longer an eligible entity to undertake an additional 10% issue at the time of the Meeting, and after the Company has already obtained ordinary Shareholders' approval, the approval obtained will not lapse and the Company will still be entitled to undertake the additional 10% issue.

20 The number of Shares that may be issued (if Shareholder approval is obtained at the Meeting) will be determined in accordance with the following formula prescribed in Listing Rule 7.1A.2:

#### **(A x D) – E**

**A** is the number of fully paid Shares on issue 12 months before the date of issue or agreement:

- (a) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;
- (b) plus the number of partly paid Shares that became fully paid in the 12 months;

#### **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@mitschellservices.com.au

f +61 7 3722 7256

w www.mitchellservices.com.au

- (c) plus the number of fully paid Shares issued in the 12 months with approval of holders of Shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid Shares under the entity's 15% capacity pursuant to Listing Rule 7.1 without Shareholder approval;
- (d) less the number of fully paid Shares cancelled in the 12 months.

**D** is 10%.

**E** is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

- 21 Additional disclosure obligations are imposed when the special resolution is proposed, when securities are issued and when any further approval is sought. For the purposes of Listing Rule 7.3A the Company provides the following information:

<b>Shares</b>	<p>Shares issued under the additional 10% placement capacity must be in the same class as an existing quoted class of shares of the Company.</p> <p>Under Resolution 4 the Company is seeking approval to issue an additional 10% of its share capital pursuant to Listing Rule 7.1A. It retains the right to issue an annual 15% of its share capital pursuant to Listing Rule 7.1.</p> <p>At the date of the Annual General Meeting, the Company will have 1,734,965,831 Shares on issue.</p>
<b>Minimum price at which the Shares may be issued</b>	<p>The issue price of each Share must be no less than 75% of the volume weighted average price for the Shares calculated over the 15 trading days on which trades in that class were recorded immediately before:</p> <p>(a) the date on which the price at which the securities are to be issued is agreed; or</p> <p>(b) if the securities are not issued within five trading days of the date in paragraph (a), the date on which the securities are issued.</p>
<b>Risk of economic and voting dilution</b>	<p>An issue of Shares under Listing Rule 7.1A involves the risk of economic and voting dilution for existing ordinary Shareholders. The risks include:</p> <p>(a) the market price for Shares may be significantly lower on the issue date than on the date of the approval under Listing rule 7.1A; and</p> <p>(b) the equity securities may be issued at a price that is at a discount to the market price for the Shares on the issue date.</p> <p>In accordance with Listing Rule 7.3A.2 a table describing the notional possible dilution, based upon various assumptions as stated, is set out below.</p>
<b>Date by which the Company may issue the Shares</b>	<p>The period commencing on the date of the Meeting at which approval is obtained and expiring on the first to occur of the following:</p> <p>(a) the date which is 12 months after the date of the annual general meeting at which approval is obtained; and</p> <p>(b) the date of the approval by holders of the Company's ordinary securities of a transaction under Listing Rules 11.1.2 or 11.2.</p> <p>The approval under Listing Rule 7.1A will cease to be valid in the event that holders of the Company's ordinary securities approve a transaction under Listing Rules 11.1.2 or 11.2.</p>
<b>Purposes for which the Shares may be issued, including whether the Company may issue them for non-cash consideration</b>	<p>As at the date of this Notice of Meeting, the Company does not have any specific intention to offer or issue any Shares under the approval. However, if the Company were to offer or issue any Shares under the approval, funds raised under the issue would likely be used as follows:</p>

**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@mitschellservices.com.au

f +61 7 3722 7256

w www.mitchellservices.com.au

	<p>(a) to provide the Company with funds to assist it develop its business and/or meet its strategic goals;</p> <p>(b) to provide the Company with funds for general working capital purposes; and</p> <p>(c) to raise funds for an acquisition or to assist the Company make an acquisition, or as consideration for an acquisition, or partly to raise funds and partly as consideration, for an acquisition.</p> <p>The Company reserves the right to issue Shares for non-cash consideration, including as non-cash consideration for any acquisition.</p>
<b>Details of the Company's allocation policy for issues under approval</b>	<p>The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to Listing Rule 7.1A. The identity of the allottees will be determined on a case-by-case basis having regard to the factors including but not limited to the following:</p> <p>(a) the methods of raising funds that are available to the Company including but not limited to, rights issues or other issues in which existing Shareholders can participate;</p> <p>(b) the effect of the issue of the Listing Rule 7.1A Shares on the control of the Company;</p> <p>(c) the financial situation and solvency of the Company; and</p> <p>(d) advice from corporate, financial and broking advisers (if applicable).</p> <p>The allottees under the Listing Rule 7.1A facility have not been determined as at the date of this Notice of Meeting, but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.</p> <p>If the Company makes an acquisition in exchange for Shares to be issued under the approval, it is likely that the persons to be issued the Shares will be those who are interested in the acquisition, e.g. the sellers of assets or officers and employees of the acquired businesses.</p>
<b>Previous approvals under Listing Rule 7.1A</b>	<p>The Company has previously sought and obtained approval under Listing Rule 7.1A at its 2014, 2015 and 2016 annual general meetings.</p>

#### Information under Listing Rule 7.3A.6(a)

- 22 The table below shows the total number of equity securities issued in the 12 months before the date of the Annual General Meeting and the percentages those issues represent of the total number of equity securities on issue at the commencement of the 12 month period. This table assumes that the Entitlement Offer Shares are issued on 16 October 2017, in accordance with the announced timetable for the Entitlement Offer.

<b>Equity securities on issue at the commencement of the 12 month period</b>	1,492,776,467 <sup>1</sup>
<b>Equity securities issued in the 12 month period</b>	273,315,839
<b>Percentage issues in the 12 month period represent of total number of equity securities on issue at commencement of 12 month period</b>	18.31%

<sup>1</sup> This includes 1,476,414,072 fully paid ordinary Shares and 16,362,395 unquoted management options.



**Information under Listing Rule 7.3A.6(b)**

The table below sets out specific details for each issue of equity securities that has taken place in the 12 month period prior to the Annual General Meeting:

<b>Date of issue and number issued</b>	<p>(a) 4 August 2017 – 3,410,515 unquoted rights to receive Shares (ESOP rights).</p> <p>(b) 4 August 2017 – 11,353,565 unquoted management options to purchase Shares with an exercise price of \$0.0539 per option (ESOP options).</p> <p>(c) 21 September 2017 – 74,000,000 Placement Shares.</p> <p>(d) 16 October 2017 – 184,551,759 Entitlement Offer Shares.</p>
<b>Class and type of equity security</b>	Quoted ordinary Shares, unquoted management options and unquoted rights.
<b>Summary of terms</b>	<p>The ESOP rights are issued on the following terms:</p> <p>(a) the holder is entitled to exercise the rights to receive Shares after one month of the date of issue;</p> <p>(b) the Shares issued to the holder on exercise of the rights will be held by a trustee subject to the satisfaction of vesting conditions;</p> <p>(c) the rights will expire on the vesting date as specified in the offer; and</p> <p>(d) the exercise price is nil.</p> <p>The ESOP options are issued on the following terms:</p> <p>(a) subject to the satisfaction of vesting conditions, each option entitles the holder to purchase one Share;</p> <p>(b) the options will expire 7 years after vesting as specified in the offer; and</p> <p>(c) the exercise price is \$0.0539 for each option.</p> <p>The Shares issued under the Placement and pursuant to the Entitlement Offer are fully paid ordinary Shares which rank equally with the ordinary Shares on issue.</p>
<b>Names of persons who received securities or basis on which those persons were determined</b>	<p>(a) Persons who received ESOP rights – members of the Company's senior management team.</p> <p>(b) Persons who received ESOP options – members of the Company's senior management team.</p> <p>(c) Persons who received Placement Shares – sophisticated and professional investors.</p> <p>(d) Persons who received Entitlement Offer Shares – Eligible Shareholders as defined in the Glossary and the underwriter and sub-underwriters of the Entitlement Offer.</p>
<b>Price</b>	<p>(a) ESOP rights – the exercise price is nil.</p> <p>(b) ESOP options – the exercise price is \$0.0539 for each option.</p> <p>(c) Placement Shares – \$0.034 per Share.</p> <p>(d) Entitlement Offer Shares – \$0.034 per Share.</p>

**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@mitschellservices.com.au](mailto:info@mitschellservices.com.au)

f +61 7 3722 7256

w [www.mitchellservices.com.au](http://www.mitchellservices.com.au)

<b>Discount to market price (if any) on the date of issue</b>	(a) ESOP rights – not applicable. (b) ESOP options – not applicable. (c) Shares issued under the Placement – 15% (d) Shares issued pursuant to the Entitlement Offer – 22.7%
<b>For cash issues</b>	
<b>Total cash consideration received</b>	ESOP rights – not applicable. ESOP options – not applicable. Shares issued under the Placement – approximately \$2.52 million. Shares issued pursuant to the Entitlement offer – approximately \$6.27 million.
<b>Amount of cash consideration spent</b>	Approximately \$1 million
<b>Use of cash consideration</b>	Funding the preparation and mobilisation of unutilised rigs and associated equipment, procurement of consumables and recruitment of personnel to fulfil current and expected contract pipeline requirements and additional working capital.
<b>Intended use for remaining amount of cash (if any)</b>	Funding the preparation and mobilisation of unutilised rigs and associated equipment, procurement of consumables and recruitment of personnel to fulfil current and expected contract pipeline requirements and additional working capital.
<b>For non-cash issues</b>	
<b>Non-cash consideration paid</b>	Not applicable
<b>Current value of that non-cash consideration</b>	Not applicable

#### Information under Listing Rule 7.3A.2

23 As required by Listing Rule 7.3A.2, the table below shows the economic and voting dilution effect, in circumstances where the issued capital of the Company has doubled and the market price of the Shares has halved. The table below also shows additional scenarios in which the Company's issued capital has increased (by both 50% and 100%) and the market price of the Shares has:

- (a) decreased by 50%; and
- (b) increased by 100%.

Issued Shares	50% decrease in market price (\$0.021)		Current market price (\$0.042)		100% increase in market price (\$0.084)	
	10% voting dilution (Shares)	Capital raised	10% voting dilution (Shares)	Capital raised	10% voting dilution (Shares)	Capital raised
<b>Present</b> = 1,734,965,831	173,496,583 Shares	\$3,643,428	173,496,583 Shares	\$7,286,856	173,496,583 Shares	\$14,573,713
<b>If 50% increase</b> = 2,602,448,746	260,244,874 Shares	\$5,465,142	260,244,874 Shares	\$10,930,285	260,244,874 Shares	\$21,860,569
<b>If 100% increase</b> = 3,469,931,662	346,993,166 Shares	\$7,286,856	346,993,166 Shares	\$14,573,713	346,993,166 Shares	\$29,147,426

#### 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@mitschellservices.com.au

f +61 7 3722 7256

w www.mitchellservices.com.au

### Assumptions and explanations

- 24 The following assumptions and explanations have been made:
- (a) The market price is \$0.042 per Share, based on the closing price of the Shares on ASX on 10 October 2017.
  - (b) The above table only shows the dilutionary effect based on the additional 10% placement capacity under Listing Rule 7.1A and not the annual 15% placement capacity under Listing Rule 7.1.
  - (c) The 10% voting dilution reflects the aggregate percentage dilution against the Company's issued capital at the time of issue.
  - (d) The Company issues the maximum number of Shares available to it under the additional 10% issue.
  - (e) The Company's issued capital has been calculated in accordance with the formula in Listing Rule 7.1A(2) as at 10 October 2017.
  - (f) The presently issued number of Shares in the table above include the Shares issued pursuant to the Entitlement Offer.
  - (g) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of a Share issue under Listing Rule 7.1A, based on that Shareholder's holding at the date of the Meeting.
  - (h) The issue of equity securities under Listing Rule 7.1A consists only of Shares.
  - (i) The issue price of the Shares used in the table does not take into account the discount to the market price (if any).
- 25 At the date of the Annual General Meeting, the Company will have 1,734,965,831 Shares on issue. Subject to Shareholder approval being obtained for Resolutions 3 and 4, the Company will have capacity to issue the following equity securities immediately following the Meeting:
- (a) 260,244,874 Shares (under Listing Rule 7.1; and
  - (b) 173,496,583 Shares (under Listing Rule 7.1A).
- 26 Listing Rule 7.1A requires Resolution 4 to be passed as a special resolution. A special resolution needs approval by at least 75% of the votes cast by Shareholders entitled to vote on the resolution.
- 27 As at the date of this Notice of Meeting, the Company does not have any specific intention to offer or issue any Shares under the approval, nor has it any specific intention in relation to the parties that it may approach to participate in an offer of Shares under the approval. Further, the Company has not formed an intention to offer Shares to any particular class or group of existing Shareholders or to offer Shares only to new investors who have not previously been Shareholders of the Company. The ability to issue an extra 10% of equity securities is being sought primarily to provide the Company with flexibility to respond to potential growth opportunities that may arise in the next 12 months.

### Directors' recommendation

- 28 The Directors unanimously recommend that you vote in favour of Resolution 4.

### 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 f +61 7 3722 7256  
e info@mitchellservices.com.au w www.mitchellservices.com.au

# Glossary

A number of capitalised terms are used throughout this Notice of Meeting. Capitalised terms in this Notice of Meeting have the same meaning given to them in the Corporations Act and:

Term	Definition
<b>Annual General Meeting or Meeting</b>	means the Company's annual general meeting the subject of this Notice of Meeting.
<b>ASX</b>	means ASX Limited and the exchange operated by it, being the Australian Securities Exchange.
<b>Board</b>	means the board of directors of the Company.
<b>Company</b>	means Mitchell Services Limited ACN 149 206 333.
<b>Corporations Act</b>	means <i>Corporations Act 2001</i> (Cth).
<b>Director</b>	means one or more directors of the Company.
<b>Eligible Shareholder</b>	means a Shareholder who, at 7.00pm on 20 September 2017: <ul style="list-style-type: none"> <li>(a) had a registered address on the Company's register in Australia or New Zealand or was a Shareholder that the Company has otherwise determined is eligible to participate;</li> <li>(b) was not in the United States and was not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States; and</li> <li>(c) was eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus to be lodged or registered.</li> </ul>
<b>Entitlement Offer</b>	means the pro rata non-renounceable offer to Eligible Shareholders of the Company to subscribe for 1 new Share for every 8 Shares of which the Shareholder was the registered holder at 7.00pm on 20 September 2017, at the price of \$0.034 per new Share.
<b>Entitlement Offer Shares</b>	means the Shares issued under the Entitlement Offer.
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Notice of Meeting</b>	means the notice of meeting and includes the explanatory memorandum.
<b>Pickles</b>	means Pickles Auctions Pty. Limited ACN 003 417 650.
<b>Placement</b>	has the meaning given in paragraph 11 of the explanatory memorandum to this Notice of Meeting.
<b>Placement Shares</b>	has the meaning given in paragraph 11 of the explanatory memorandum to this Notice of Meeting.
<b>Shareholder</b>	means a registered shareholder or shareholders of the Company who are entitled to vote at the Meeting.
<b>Shares</b>	means fully paid ordinary shares in the Company.

## 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@mitschellservices.com.au](mailto:info@mitschellservices.com.au)

f +61 7 3722 7256

w [www.mitchellservices.com.au](http://www.mitchellservices.com.au)

THIS PAGE WAS LEFT BLANK INTENTIONALLY

**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@mitschellservices.com.au](mailto:info@mitschellservices.com.au)

f +61 7 3722 7256

w [www.mitchellservices.com.au](http://www.mitchellservices.com.au)

## LODGE YOUR VOTE ONLINE



### ONLINE VOTE

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



### MOBILE DEVICE VOTE

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

## VOTING/PROXY FORM

I/We being shareholder(s) of Mitchell Services Limited and entitled to attend and vote hereby:

### APPOINT A PROXY



The Chair of  
the meeting

OR



**PLEASE NOTE:** If you leave the section blank, the Chair of the Meeting will be your proxy.

If no individual(s) or body corporate(s) is named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held at **Morgans Financial Ltd, Level 29, 123 Eagle Street, Brisbane on 22 November 2017 at 10.00am (Brisbane time)** and at any adjournment or postponement of that Meeting.

**Chair authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Item 1 (except where I/we have indicated a different voting intention below) even though this Item is connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair. The Chair of the Meeting intends to vote all undirected proxies available to him in favour of each Item of Business.

### VOTING DIRECTIONS

#### Agenda Items

Ordinary business		For	Against	Abstain*	Special business		For	Against	Abstain*
1	Adoption of the remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3	Ratification and approval of Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-election of Nathan Mitchell as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4	Approval of additional 10% placement capacity under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)



Joint Shareholder 2 (Individual)



Joint Shareholder 3 (Individual)



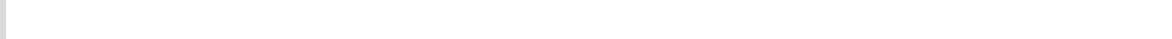
Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address



Please tick here to agree to receive communications sent by the company via email. This may include meeting notifications, dividend remittance, and selected announcements.

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

### CHANGE OF ADDRESS

Your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

### APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair will be your proxy.

### DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not vote on a poll in accordance with your directions or does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting, who is required to vote the proxies as directed.

### VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in 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 a given item, your proxy may vote as they choose to the extent they are able. If you mark more than one box on an item, your vote on that item will be invalid.

### PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Item 1, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Item 1.

**PLEASE NOTE:** If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on an item (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that item), you will be expressly authorising the Chair to vote as they see fit on that item.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- On each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- Return both forms together.

### CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

### SIGNING INSTRUCTIONS ON THE PROXY FORM

#### Individual:

Where the holding is in one name, the security holder must sign.

#### Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

#### Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

#### Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

### LODGE YOUR VOTE

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 10.00am (Brisbane time) on 20 November 2017, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.



#### ONLINE VOTE

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



#### BY MAIL

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009; or  
PO Box 1156, Nedlands WA 6909



#### BY FAX

+61 8 9262 3723



#### BY EMAIL

[admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)



#### IN PERSON

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009; or



#### ALL ENQUIRIES TO

Telephone: +61 8 9389 8033