



Mitchell
SERVICES

8 April 2019

MITCHELL SERVICES LIMITED
(ASX: MSV)

Contract award and material Western Australia market expansion

Key points

- **Five-year contract award**
- **Newmont and Barrick joint venture**
- **Deployment of two underground diamond rigs**
- **Material expansion into Western Australia market**

Mitchell Services Limited (ASX: **MSV**) (the Company) is pleased to announce a material expansion into Western Australia with the award of a new contract with Kalgoorlie Consolidated Gold Mines Pty Ltd (KCGM) – a joint venture between Tier 1 gold miners Newmont Australia and Barrick Gold.

Under the five-year contract, the Company will provide underground diamond drilling services at KCGM's Mt Charlotte Underground Mine. KCGM's operations (which also include the Fimiston Open/'Super' Pit) are located adjacent to Kalgoorlie-Boulder in Western Australia.

The company will initially deploy two underground rigs to service the contract with opportunities to potentially increase the rig count over the five-year contract period pending performance and site requirements.

In announcing the contract award, Chief Executive Officer Andrew Elf said, "the KCGM award is significant for various reasons. Strategically it provides the Company with a multi-rig multi-year contract in Western Australia which will aid further growth over time. The contract, which will enhance the Company's geographical revenue diversity demonstrates our continued ability to secure and service long term contracts for Tier 1 clients at large, long-life producing mine sites."

Whilst the Company anticipates a material long term revenue and EBITDA benefit as a result of this award, the company notes that, given the timing of the award, the expected start date and anticipated level of ramp up associated with the new project, the award is not likely to have a material impact on the recently provided FY19 revenue and EBITDA guidance numbers of \$110m-\$120m and \$21m-\$23m respectively.

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