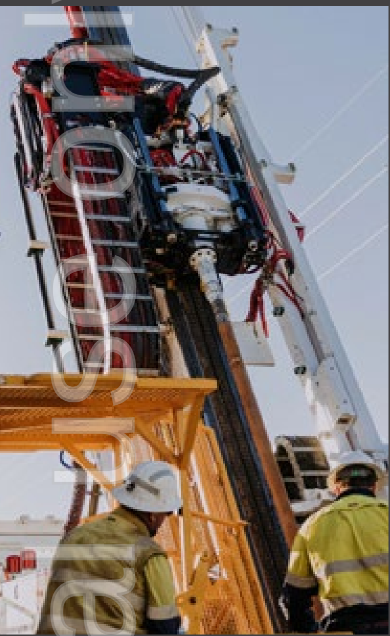
Mitchell
SERVICES




ANNUAL REPORT

2026

Mitchell Services is Australia's most diverse drilling company. Our world class fleet is located in key exploration and mining centres throughout Australia, providing a range of drilling services and innovations.

MITCHELL SERVICES LTD
ACN 149 206 333

CHAIRMAN'S REPORT

For the year ended 30 June 2026

Nathan Andrew Mitchell
Executive Chairman

Dear Fellow Shareholders

On behalf of the Board of Mitchell Services Limited (MSV), I am pleased to present the FY26 Annual Report. Following a transitional FY25, FY26 was a year of strong recovery and disciplined execution. The business continued its shift away from the Queensland coal sector and towards the metalliferous sector, adapted to a materially changed commodity mix, and delivered a financial result that ranks among the strongest in the Company's history.

Whilst FY25 laid the groundwork, FY26 demonstrated the earnings power of the repositioned business — with a sharp expansion in margins, a substantial improvement in cash generation, and a balance sheet that returned to a net cash position.

SAFETY PERFORMANCE

Safety will always remain MSV's highest priority.

The foundation of our safety performance continues to be the organisation's critical risk management program, which is designed to verify the existence and effectiveness of the critical control measures that prevent life-changing injuries and fatalities. That program, together with the strength of our safety culture, remained central to the way we operated throughout FY26.

FY26 was not without its challenges in this regard. As the business grows both its headcount and operating rig count, maintaining the depth of skill and experience across every crew requires constant attention. We will continue to invest in the systems, training and leadership required to drive continuous improvement, and, as a Board, we remain deeply committed to the safety and wellbeing of every person who works for MSV.

We enter FY27 with a **diversified revenue base, strong balance sheet** and a focus on **margin and returns**.

A **materially stronger result** from a similar level of activity — the business retains significant **operating leverage to the upside.**

A FINANCIAL TURNAROUND

As outlined in detail in Andrew's CEO letter, FY26 delivered a marked improvement in financial performance compared to FY25. This was driven by improved operating conditions, the absence of the adverse weather and client-related disruptions that characterised the prior year, and the benefit of projects that mobilised during FY25 now operating on a business-as-usual basis. The headline results are summarised below.

Profit and Loss

The Group generated earnings before tax of $20.8m in FY26, compared to $0.7m in FY25, and a profit after tax of $15.2m (FY25: $0.5m), equating to earnings per share of 7.2 cents (FY25: 0.3 cents). FY26 produced a materially stronger result from a similar level of activity which means the business retains significant operating leverage to the upside should operating rig count continue to normalise.

Cash flow

The Group recorded operating cash flows of $37.4m in FY26, an increase of over 100% on the FY25 figure of $17.9m, at a healthy EBITDA to cash conversion ratio of approximately 87% (FY25: 70%). After allowing for capital expenditure cash payments of $18.8m and the payment of dividends during the year, the business continued to generate meaningful free cash flow — a hallmark of the operating model. The Group delivered a return on invested capital of 25.2% for the year, compared to 2.0% in FY25.

Financial position

The strength of FY26 cash generation, together with disciplined capital expenditure, saw the Group's balance sheet return to a net cash position of $3.5m at 30 June 2026, compared to net debt of $8.4m at 30 June 2025.

Capital Management

Capital management remains a core discipline for the Board, with a continued focus on striking the appropriate balance between maximising cash returns to shareholders, capitalising on growth opportunities amid an increasing opportunity pipeline, and operating within sensible debt levels.

During FY26, the Company paid a fully franked dividend of 4 cents per share (approximately $8.5m) in March 2026 and has today announced a fully franked dividend of 2 cents per share. This brings the total FY26 dividend to 6 cents per share at a notional yield of 11% using yesterdays share price of 53.5c.

Since the inception of the current capital management strategy (in late FY22), the business has redeployed approximately $77m of capital across debt reduction and returns to shareholders — a clear demonstration of the Company's ability to generate significant and sustainable free cash flow.

LOOKING AHEAD

We enter FY27 with a diversified revenue base, a robust contract portfolio, a strong balance sheet that provides genuine optionality, and a disciplined focus on margin and returns.

Whilst cost pressures and a tightening labour market will require careful management, the business is well placed to continue delivering sustainable, long-term value for shareholders — both within and beyond our traditional drilling business.

On behalf of the Board, I extend my sincere thanks to our employees for their dedication, to our clients for their trust, and to our shareholders for their continued support. We remain committed to delivering sustainable value and long-term growth.

On behalf of the Board, thank you.

Nath Mitchell

Nathan Andrew Mitchell
Executive Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

For the year ended 30 June 2026

Andrew Michael Elf
Chief Executive Officer

Dear Shareholders

I am pleased to provide the following report for Mitchell Services Limited (the Company) for the financial year ended 30 June 2026 (FY26).

Following a transitional FY25, FY26 was the year in which the repositioned business delivered. Operationally, the Company executed well across a diversified portfolio of projects, converted the investment made in prior-year mobilisations into business-as-usual production, and did so with a clear focus on margin and return on capital rather than volume for its own sake.

OPERATIONAL PERFORMANCE

The Company delivered revenue of $207.4m and EBITDA of $42.8m at an EBITDA margin of 20.7%, up from 13.1% in FY25. Importantly, this result was achieved with an average operating rig count of 61.5 (FY25: 63.2) from a fleet of approximately 90 rigs. In other words, the Company generated a materially stronger result from a broadly similar level of activity — a direct reflection of improved operating conditions, a more favourable revenue mix, and disciplined cost and margin management. It also means the business retains significant operating leverage to the upside as utilisation increases.

Encouragingly, that increase is already underway. Having reached a low of 59 operating rigs at the end of April 2026 following the final anticipated Queensland coal-related demobilisations, the operating rig count recovered to 65 by 30 June 2026, with further increases expected through the first half of FY27. Annualised revenue per operating rig increased by approximately 8% to $3.37m, reflecting both the higher-value nature of the work performed and continued pricing discipline.

Delivering an **EBITDA margin above 20%** whilst operating **fewer rigs than in prior years** is a result the team should be proud of.

FY26 delivered a financial result that ranks among the **strongest in the company's history** with EBITDA up **67%** and a return to **net cash**

DIVERSIFICATION AND REVENUE MIX

A defining feature of FY26 was the continued diversification of our revenue base. The pivot away from Queensland coal and towards the metalliferous sector accelerated through the year, with gold representing approximately 61% of FY26 revenue and coal approximately 30%. With gold prices at record levels, the Company is well positioned to benefit from continued strength in enquiry and demand across that sector.

Our entry into the PNG gold market, which commenced during FY25, matured in FY26. Meanwhile, with gold at record prices and firm conditions across a range of other minerals including copper, we are seeing elevated enquiry levels and encouraging demand indicators across the metalliferous sector. Demand in the coal sector — particularly in Queensland — remained subdued throughout the year.

MARGIN AND RETURN DISCIPLINE

A consistent theme throughout FY26 was the Company's focus on the quality of earnings rather than volume alone. Delivering an EBITDA margin above 20% for the full year, whilst operating fewer rigs than in prior years, is a result the team should be very proud of, and it reflects a deliberate approach across the operational teams to balance volume against return.

Acknowledging that the Company's capital management strategy is addressed in detail in the Chairman's letter, I will simply note that the strength of FY26 cash generation, together with disciplined capital expenditure, allowed the business to return to a net cash position at 30 June 2026, providing genuine optionality as we look to the year ahead.

OUR PEOPLE AND SAFETY

Acknowledging that safety is also addressed in the Chairman's address, I would nonetheless like to recognise the outstanding effort of our operational, safety and support teams. The workload involved in transitioning a business of this scale away from one commodity and towards another — whilst entering new jurisdictions and standing up new service offerings — is substantial, and our people have done an amazing job in that regard.

LOOP DECARBONISATION SOLUTIONS

I remain very pleased with the progress of Loop Decarbonisation Solutions Pty Ltd (Loop). In August 2025, Sumitomo Corporation made a strategic equity investment in Loop — a significant external endorsement of the business and its long-term potential.

During FY26, Loop progressed from advisory work into in-field operations, with drilling commencing under its second customer contract. Interest in Loop's initial advisory services continues to build as Safeguard Mechanism liabilities crystallise for affected asset owners, and I look forward to updating shareholders as the business develops.

LOOKING AHEAD

The Company enters FY27 with real momentum. With an average operating rig count well below the capacity of our fleet, the business retains meaningful leverage to any further increase in demand, and I am genuinely excited about the year ahead.

In closing, I would like to again thank our employees for their hard work and dedication and our shareholders for their continued support.

Thank you

Andrew Michael Elf
Chief Executive Officer

CURRENT BUSINESS SUMMARY

REVENUE $207.4m

↑ 5%

FROM $196.7m in FY25

EBITDA $42.8m

↑ 67%

FROM $25.7m in FY25

PROFIT AFTER TAX $15.2m

↑ 30x

FROM $0.5m in FY25

OPERATING CASHFLOW $37.4m

↑ 109%

FROM $17.9m in FY25

CAPITAL MANAGEMENT

6.0cps

TOTAL FULLY FRANKED DIVIDENDS

RETURN ON INVESTED CAPITAL 25.2%

↑ 23%

FROM 2.0% in FY25

VISION

"Finding a better way to unlock resources for our customers, for the benefit of our shareholders, our people and the community."

DIRECTORS' REPORT

For the year ended 30 June 2026

The Directors of Mitchell Services Limited submit herewith the financial report of Mitchell Services Limited (Company) and its subsidiaries (Group) for the year ended 30 June 2026 (FY26). In order to comply with the provisions of the Corporations Act 2001, the Directors' report as follows.

DIRECTORS

The names and particulars of the Directors of the Company during or since the end of the financial year are:

Nathan Andrew Mitchell (Executive Chairman)

Mr Mitchell was appointed to the Board on 29 November 2013 and appointed as Executive Chairman on 19 March 2014.

Mr Mitchell has been involved in the drilling industry for virtually his entire life. With a career spanning over 35 years, he has a proven track record as an industry leader in technical development and business growth. As CEO of Mitchell Drilling Contractors prior to its sale in 2008, Mr Mitchell led that business through a period of rapid local growth and directed an international expansion into India, China, Indonesia, the United States of America and southern Africa. Other current directorships include Mitchell Drilling International Pty Ltd.

At the date of this report, Mr Mitchell has relevant interests in 42,228,408 shares.

Scott David Tumbridge (Non-Executive Director, resigned 30 June 2026)

Mr Tumbridge was appointed as Executive Director on 29 November 2019 following the acquisition of Deepcore Drilling by the Company. He remained an Executive Director until 31 January 2023 and became a Non-Executive Director on 1 February 2023.

Mr Tumbridge resigned from the position of Non-Executive Director on 30 June 2026 and, at the date of resignation, held relevant interests in 14,354,068 shares.

The founder of Deepcore Drilling, and with over 30 years' experience in the Australasian mining and drilling industries as well as a proven track record in business development, innovation and operational excellence, Mr Tumbridge brought a wealth of specialist industry knowledge to the Mitchell Services board.

Peter Richard Miller (Non-Executive Director)

Mr Miller was appointed as Director on 8 February 2011.

Mr Miller has been involved in all aspects of the drilling industry for the past 35 years and founded Drill Torque in 1992. His experience encompasses working with all types of drilling rigs, building rigs and managing drilling companies. Having worked in most exploration areas in Australia, he is intimately familiar with drilling conditions, equipment requirements and pricing structures to maximise fleet productivity. Mr Miller is widely known and well regarded in the industry.

At the date of this report, Mr Miller has relevant interests in 2,412,505 shares.

Robert Barry Douglas BCom, LLB (Non-Executive Director)

Mr Douglas was appointed as Non-Executive Director on 29 November 2013. Mr Douglas has over 25 years' experience in finance and investment banking and is currently an Executive Director of Morgans Financial.

Mr Douglas has experience in all aspects of corporate advisory and equity capital raising for listed public companies and companies seeking to list, including offer structure, prospectus preparation, due diligence, accounts and forecasting, risk management, sales and marketing, logistics and legal requirements. During his career, Mr Douglas has worked extensively with energy and resource companies. Mr Douglas has served on both the Audit and Risk Committee and the Remuneration and Nomination Committee since 20 March 2014 and was Chairman of both Committees between 21 November 2014 and 20 October 2015.

At the date of this report, Mr Douglas has relevant interests in 248,686 shares.

DIRECTORS' REPORT

For the year ended 30 June 2026

Neal Macrossan O'Connor LLB, GAICD (Non-Executive Director)

Mr O'Connor was appointed as Non-Executive Director on 21 October 2015 and is also Chairman of the Remuneration and Nomination Committee. Mr O'Connor currently serves on the Audit and Risk Committee while also having previously served as Chairman of the Audit and Risk Committee from 21 October 2015 to 18 August 2020.

Mr O'Connor was formerly General Counsel and Company Secretary and an Executive Committee member of global Xstrata Copper. He has extensive experience in the resource industry and brings an added focus on corporate governance and risk management to the Board.

Mr O'Connor has served as a Non-Executive Director of Sunstone Metals (STM) since April 2024 and previously served on the Board of Maas Group Holdings Limited (ASX:MGH) from November 2020 to August 2022.

At the date of this report, Mr O'Connor has relevant interests in 131,499 shares.

Peter Geoffrey Hudson BA (Acc), GAICD, CA, (Non-Executive Director)

Mr Hudson was appointed as Non-Executive Director on 20 July 2020 and is also a member of the Remuneration and Nomination Committee and the Chairman of the Audit and Risk Committee.

Mr Hudson is an experienced corporate transaction specialist with over 25 years' experience in mergers, acquisitions, capital raisings, financial analysis, and project management in Australia and overseas. Previously a partner at global financial services firm KPMG, he brings a wealth of financial, risk management and corporate governance experience to the Board.

At the date of this report, Mr Hudson has relevant interests in 20,000 shares.

Grant Eric Moyle (Alternate Director, resigned 30 June 2026)

Mr Moyle was appointed as Alternate Director for Mr Nathan Mitchell on 30 May 2014.

Mr Moyle resigned from the position of Alternate Director on 30 June 2026 and, at the date of his resignation, held relevant interests in 96,188 shares. During his tenure, Mr Moyle brought to the Group his management and board experience in international mining services, governance, information technology and strategic business growth.

CHIEF EXECUTIVE OFFICER

Andrew Michael Elf Bcom, FCPA, MBA, GAICD

Andrew was appointed as Chief Executive Officer on 20 March 2014.

Andrew has over 25 years of finance, commercial and operational experience working in various senior roles both in Australia and overseas and was a financial director in Indonesia for a top 100 ASX listed Company before transitioning into the drilling industry in early 2004. Andrew held several senior roles with Boart Longyear before joining Mitchell Group in March 2010, where he spearheaded the growth of the African business.

Andrew has extensive experience in managing drilling companies in various regions around the world which have worked for global Tier 1 mining and energy houses.

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Gregory Michael Switala BCom (Hons), CA

Greg joined Mitchell Services in 2014 and has over 20 years' experience in audit and commercial finance roles.

Over the past ten years, Greg has led the finance team through a period of substantial growth that has included significant corporate activity including substantial acquisitions and capital (both debt and equity) raisings.

DIRECTORS' REPORT

For the year ended 30 June 2026

PRINCIPAL ACTIVITIES

The Group provides exploration, mine site and geotechnical drilling services to the exploration, mining and civil construction industries within Australia and Papua New Guinea and is currently headquartered in Seventeen Mile Rocks, Queensland.

Mining industry services

The Group provides drilling solutions at all stages of the mining lifecycle, in both the energy and minerals sectors. The diversity in operations allows for better management of the cyclical nature of commodity prices, as well as giving employees exposure to various forms of drilling as part of their career development.

The various stages of the project lifecycle for which the Group provides drilling services include:

- Greenfield exploration;
- Project feasibility;
- Mine site exploration and resource definition;
- Development;
- Production; and
- Decarbonisation solutions.

Civil construction industry services

The group offers a wide range of geotechnical drilling services for civil construction projects. These services typically involve the application of specialist directional drilling techniques to provide civil projects with vital geotechnical data which enables ground investigation studies to be completed safely and efficiently.

There were no significant changes in the Group's nature of activities during the year.

CHANGES IN STATE OF AFFAIRS

There was no significant change in the state of affairs of the Group during the financial year.

LIKELY DEVELOPMENTS

The Group will continue to pursue its principal activities during the next financial year.

Further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

ENVIRONMENTAL REGULATIONS

The Group's operations are not subject to any particular and significant environmental regulation under a law of the Commonwealth or a State or Territory.

However, the Group does provide services to entities that are licensed or otherwise subject to conditions for the purposes of environmental legislation or regulation. In these instances, the Group undertakes its compliance duties in accordance with the contractor regime implemented by the licensed or regulated entity.

NON-IFRS MEASURES

The Directors' Report, Chairman's Report and CEO Report include non-IFRS performance measures. These measures are used internally to assess the performance of the business and include:

MEASURE	DEFINITION
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EBITDA Margin	EBITDA divided by Revenue
Cash Conversion ratio	Net cash provided by operating activities divided by EBITDA
Return on Invested Capital (ROIC)	EBIT divided by capital employed
Capital employed	Property, plant, and equipment plus Intangible assets plus Trade and other receivables plus inventories plus other current assets less trade and other payables
Gross debt	Equipment hire purchase facilities only. Therefore, current financial liabilities plus non-current financial liabilities less current lease liabilities less non-current lease liabilities

REVIEW OF OPERATIONS

Safety

Finishing each day without harm is a core Mitchell Services value and the Group is committed to the safety of its most important asset — its people. The Group is particularly focused on training to attract, retain and further develop its crews to ensure that service levels and the quality of the Mitchell brand remain high.

As part of this commitment to finishing each day without harm, the Group has implemented an industry leading critical risk management program across the organisation. This infield program is designed to verify the existence and effectiveness of critical control measures to prevent life changing injuries and fatalities.

DIRECTORS' REPORT

For the year ended 30 June 2026

Activity levels

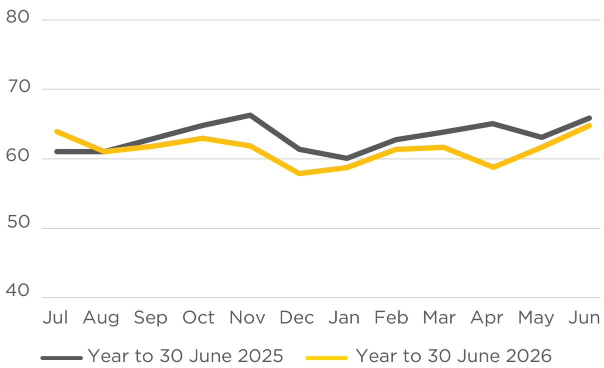
From an operating rig count perspective, FY26 has continued the trajectory of the previous financial year, where a decline in the Queensland coal sector necessitated the Company's strategic pivot towards the metalliferous sector while also expanding its footprint into new jurisdictions. This resulted in the average operating rig utilisation decreasing to 61.5 rigs from 63.2 in FY25, although nowhere near as pronounced as the FY25 reduction from an average of 72.5 in FY24. While the FY26 average rig count is down on the previous year, overall productivity was maintained with operating shifts increasing to 35,999 from 35,380 in FY25.

It should be noted the operating rig count reached a low point of 59 in April 2026 following the final anticipated Queensland coal-related rig demobilisations and, since that time, rig activity has steadily increased following new contract awards and scope expansions across existing projects (with an operating rig count of 65 in June 2026).

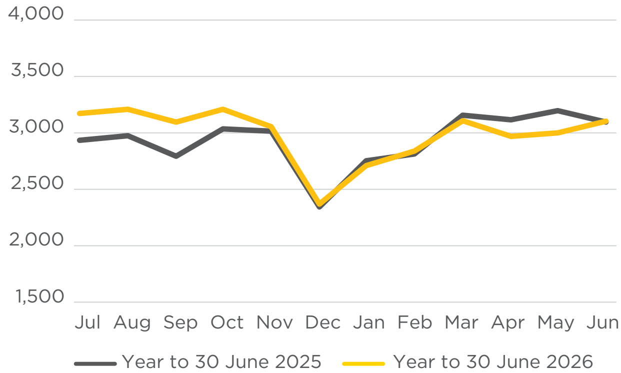
The Company's demonstrated agility in a dynamic environment as well as the strong financial performance discussed later, underline its ability to sustain operational throughput by deploying its fleet and crews into higher quality drilling programs that meet the Company's EBITDA margin and return on capital expectations.

The charts below illustrate utilisation (rig count) and productivity (number of shifts) over the past 24 months.

Monthly number of rigs operating (over the past 24 months)



Monthly number of shifts worked (over the past 24 months)



The table below illustrates the revenue impact of the utilisation, productivity, pricing and revenue mix over the past 24 months.

	FY26	FY25	MOVEMENT	MOVEMENT %
Average operating rigs	61.5	63.2	(1.7)	(2.7)
Number of shifts	35,999	35,380	619	1.7
Revenue ($'000s)	207,436	196,651	10,785	5.5

DIRECTORS' REPORT

For the year ended 30 June 2026

Customer base and revenue break-down

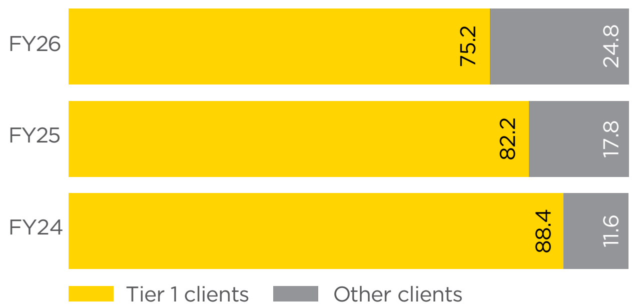
As the charts demonstrate, the Group's revenue continues to be derived predominantly from large, multinational mining clients (Tier 1 clients). Drilling services that were provided to Tier 1 clients were generally at producing mine sites and linked to the resource definition, development and production stages within the mine life cycle as opposed to greenfield exploration.

Diversification in revenue streams including the mix between surface and underground drilling as well as the mix between different commodity types continues to be a focus of the Board and management. The relevant proportions of FY26 revenue derived from surface drilling and underground drilling are well balanced at 49.6% and 50.2% and are practically the same as FY25 and in contrast to FY24 when there was a much heavier weighting towards surface drilling (54.2% of the total).

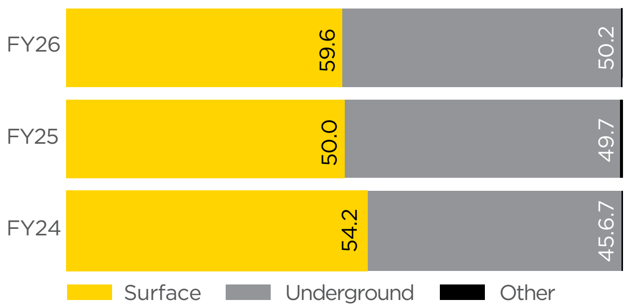
From a commodity perspective, the revenue mix in FY26 reflects a significantly increased weighting towards gold. Revenue from gold, steelmaking coal and other comprises 61.2%, 29.9% and 8.9% respectively (FY25: 47.2%, 39.3% and 13.5%).

The geographical mix corresponds with drilling and commodity types referenced above with revenue from Queensland, where steelmaking coal is more prevalent, a much smaller share of the mix relative to FY25 while in contrast Victoria's share has increased given the pivot towards a greater share of gold sector projects. Revenue from Queensland, Victoria and New South Wales comprised 33.7%, 32.0% and 15.2% respectively (FY25: 48.6%, 21.0% and 17.3%) while FY26 also reflects contributions from the Northern Territory and Papua New Guinea at 9.1% (FY25: 7.8%) and 6.1% (FY25:1.7%) respectively.

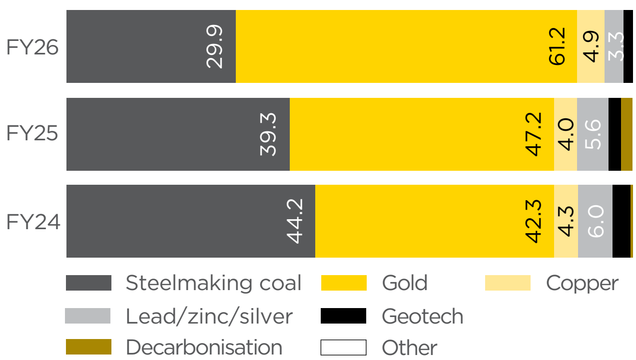
Revenue by client type (%)



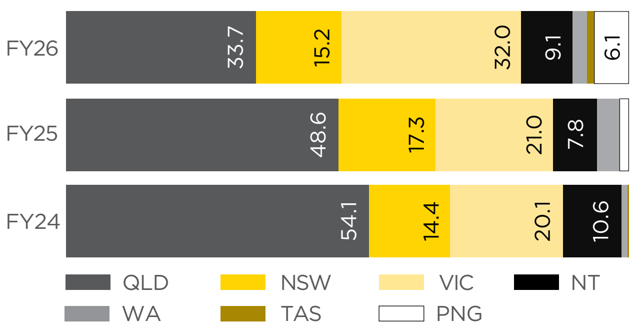
Revenue by drilling type (%)



Revenue by commodity (%)



Revenue by geography (%)



DIRECTORS' REPORT

For the year ended 30 June 2026

Profitability

The table below summarises the key profitability metrics for FY26 versus the prior corresponding period (FY25):

	FY26 $M	FY25 $M	MOVEMENT $M	MOVEMENT %
Revenue[1]	207.4	196.7	10.7	5.4%
Operating expenses	(164.6)	(171.0)	6.4	(3.7%)
EBITDA[2]	42.8	25.7	17.1	66.5%
Depreciation and amortisation[3]	(21.3)	(23.8)	2.5	(10.5%)
EBIT	21.5	1.9	19.6	1,032%
Finance costs	(0.9)	(1.2)	0.3	25.0%
EBT	20.8	0.7	20.1	2,871%
Taxation expense[4]	(5.6)	(0.2)	(5.4)	2,700%
Profit after tax	15.2	0.5	14.7	2,940%
Basic Earnings per share (cents per share)	7.2	0.3	6.9	2,300%

1 In line with the relatively increased shift count (referred to earlier in this Directors' Report), revenue has increased by approximately 5.4% from $196.7m in FY25 to $207.4m in FY26.

2 EBITDA is materially improved, with a reported $42.8m being up 66.5% on FY25 which recorded $25.7m. The improved result was testament to the Group's strategic pivot towards servicing clients in the metalliferous sector as well as its expansion to new jurisdictions. It also represented reward for a large FY25 cost investment in multiple projects which did not realise meaningful earnings benefit last year but which delivered great value in FY26 as those projects operated on a business as usual basis.

3 Depreciation of $21.3m is 10.5% lower than FY25 due to the continuation of disciplined capital expenditure in FY26 on the back of several periods of tightly controlled capex, and the consequently lower levels of property, plant and equipment.

4 An income tax expense of $5.6m has been recognised compared to an equivalent expense of only $0.2m in FY25. The latter was attributable to the corresponding period's recognition of a modest accounting profit before tax of $0.7m while FY26 has recorded a much larger accounting profit before tax of $20.8m.

Cash flow

The table below summarises the key cashflow metrics for FY26 versus the prior corresponding period (FY25).

	FY26 $M	FY25 $M	MOVEMENT $M	MOVEMENT %
Cash flows from operating activities[1]	37.4	17.9	19.5	108.9%
Payments for PPE[2]	(18.9)	(20.0)	1.1	5.5%
Proceeds from disposal of PPE[2]	4.9	2.1	2.8	133.3%
Payments for shares bought back	–	(0.8)	0.8	(100.0%)
Net repayment of borrowings[3]	(4.1)	(9.4)	5.3	(56.4%)
Dividends paid[4]	(8.5)	(4.3)	(4.2)	97.7%
Loan advanced to equity accounted investee	–	(0.2)	0.2	(100.0%)
Increase/(decrease) in cash and cash equivalents	10.8	(14.7)	25.5	173.5%

1 Cash flows from operating activities in FY26 of $37.4m are 108.9% greater than FY25 and include income tax payments totalling $6.8m. Excluding income tax payments, operating cash generated totalled $44.2m, a cash conversion ratio of 103.3% relative to EBITDA. The outstanding operating cash flows were mainly a product of the underlying EBITDA performance as well as steady working capital management in the current year. Most prominent from a working capital perspective was a reduction in inventories of $2.8m from $13.6m at June 2025 to $10.8m at June 2026 with the former having been built up due to a significant investment in inventories to support new contracts at that point in time.

2 Gross payments for capital expenditure in FY26 of $18.9m are similar to FY25 which recorded $20.0m and these are largely restricted to essential maintenance capex. Proceeds from the disposal of property, plant and equipment (PPE) are significant in FY26 and this includes the receipt of $1.9m from an insurance claim related to PPE destroyed in a bushfire in December 2025 at a site in Western Australia. The balance is due mainly to proceeds approximating $2.7m from the disposal of two drill rigs and associated gear.

3 The $5.3m reduction in net repayment of borrowings is commensurate with the respective levels of borrowings in FY26 and FY25 with the latter seeing a large reduction in debt between 30 June 2024 and 30 June 2025 as a number of hire purchase facilities expired during that year.

4 Dividends paid in FY26 related to a fully franked dividend of 4.00 cents per share paid in March 2026.

DIRECTORS' REPORT

For the year ended 30 June 2026

Financial position

The following table summarises the Group's financial position at 30 June 2026 and 2025.

	FY26 $M	FY25 $M	MOVEMENT $M	MOVEMENT %
Current assets	57.3	45.3	12.0	26.5%
Non-current assets	66.2	65.9	0.3	0.5%
Total assets	123.5	111.2	12.3	11.1%
Current liabilities	47.6	38.6	9.0	23.3%
Non-current liabilities	7.6	11.6	(4.0)	(34.5%)
Total liabilities	55.2	50.2	5.0	10.0%
Net assets	**68.3**	**61.0**	**7.3**	**12.0%**

The Group's overall net asset position increased to $68.3m compared to $61.0m at 30 June 2025. The net increase is represented by the Group's profit after tax of $15.2m, reduced by dividends of $8.5m paid through the year, with the balance of $0.6m being an ESOP expense which gets credited to equity.

The Group's current ratio has improved from 1.17 at 30 June 2025 to 1.20 at 30 June 2026.

At 30 June 2026, Gross Debt was $8.7m (30 June 2025: $9.7m), comprising equipment hire purchase facilities only. While gross borrowings of $5.7m were repaid during FY26 (excluding $0.7m of repayments related to right-of-use lease liabilities)), the Company entered into new hire purchase facilities during the year amounting to $4.7m. The Company continues to maintain a working capital facility with a limit of $15m which was undrawn at 30 June 2026.

The Group's closing cash and cash equivalents balance of $12.1m means a net cash position of $3.5m was recorded at 30 June 2026 (Net debt of $8.4m at 30 June 2025). The significant turnaround is testament to the outstanding operating cash flows generated coupled with the controlled levels of capital expenditure.

Capital management

The Group remains committed to the long-term growth of the business and its current capital management policy, designed to optimise returns to shareholders. Capital management performance during the year is discussed below.

Dividends and Share buy backs

During FY26, the Group paid a fully franked dividend of $8.5m. As detailed below on events after the reporting date, a further fully franked dividend of 2.00 cents per share has been declared and will be paid in September 2026.

On 14 July 2022, the Group commenced a 12 month on-market share buy-back on the following key terms:

- The price paid for shares purchased under the buy-back will be no more than 5% above the volume weighted average price of the Company's shares over the five days of trading prior to the purchase; and
- The number of shares purchased under the buy-back will not exceed 10% of the Company's fully paid ordinary shares.

The buy-back, initially expected to run until at least 30 June 2023, was subsequently extended on multiple occasions and has now been scheduled to recommence on 30 July 2026 through to no later than 30 July 2027.

No shares were bought back during FY26 (FY25: 2.4m shares bought back for a combined consideration of $0.9m, net of transaction costs).

As at 30 June 2026 (and since the inception of the buyback in July 2022), the Group has purchased back 14.9m shares at a combined cost of $5.5m ($0.373 per share) net of transaction costs.

BUSINESS STRATEGIES AND PROSPECTS

The strategy of the Group is to optimise long-term growth and returns to shareholders by:

- Continuing to improve the profitability of the existing business;
- Capitalising on the growing pipeline of drilling opportunities in the mining sector; and
- Building on the increased exposure to the metalliferous sector and the expansion into new jurisdictions achieved during the year.

DIRECTORS' REPORT

For the year ended 30 June 2026

The Group remains committed to a capital management framework that includes the application of sensible limits to capital expenditure. The size and composition of the fleet is continually monitored against prevailing market conditions, and the Group will take advantage of growth opportunities where it makes sense to do so. Capital management will remain a priority, with a focus on ensuring an appropriate mix between maximising cash returns for shareholders, capitalising on growth opportunities amid an increasing opportunity pipeline, and operating within sensible debt levels.

The Group's investment in Loop represents a material growth opportunity in time. The acquisition by Sumitomo Corporation of up to 25% of the equity in Loop during the year validates the business strategy and service offering and provides a platform to accelerate growth on a capital light basis for the Group.

Prospects for future financial years

The Group exited FY26 with an operating rig count of 65, and the operating rig count is expected to continue increasing during the first half of FY27. The FY26 result was delivered with an average of 62 operating rigs from a fleet of 90, and the Directors consider that the resulting idle fleet capacity, combined with the relatively fixed nature of a large portion of the Group's cost base, provides substantial operational leverage. The Group is therefore positioned to benefit as utilisation and activity levels increase.

Demand for drill rigs in the metalliferous sector remains strong, while demand for rigs in the coal sector remains weak.

The Group closed the year in a net cash position of $3.5 million, with approximately $35 million of undrawn facilities comprising an undrawn $15 million working capital facility and in excess of $20 million of additional headroom under the existing equipment finance facility. The Directors consider that this provides optionality and flexibility in relation to both capital management and growth opportunities, and the Group has no intention to raise equity.

EVENTS AFTER THE REPORTING DATE

Dividends

On 21 August 2026, the Board declared a fully franked dividend of 2.00 cents per share to holders of fully paid ordinary shares on 1 September 2026 (Record Date). The payment for the dividend is 17 September 2026, and the total estimated dividend is $4,249,011.

Other than the matter noted above, there have not been any matters or circumstances occurring subsequent to the end of the reporting period that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in the future.

SHARES UNDER OPTION

Details of unissued shares or interests under option as at the date of this report are:

OFFER DATE	EXPIRY DATE	EXERCISE PRICE	NUMBER UNDER OPTION
14 June 2018	14 June 2027	$0.703	811,312
14 June 2019	14 June 2028	$1.100	617,489
1 June 2020	1 June 2029	$0.910	681,652
31 May 2021	31 May 2030	$0.690	881,160
23 June 2022	23 June 2031	$0.630	1,261,668
31 May 2023	31 May 2032	$0.620	990,233
20 June 2024	18 June 2033	$0.555	1,342,508
20 June 2025	20 June 2034	$0.340	1,624,973
19 June 2026	19 June 2035	$0.640	1,667,930
			9,878,925

Options per the above table were offered under the Company's Executive Share and Option Plan (ESOP).

Further details in relation to the ESOP are provided as part of the Remuneration Report on pages 17 to 26.

During the year ended 30 June 2026, there were no shares in Mitchell Services Limited issued on the exercise of options (2025: nil).

DIRECTORS' REPORT

For the year ended 30 June 2026

INDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year, the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Company has paid premiums to insure each of the Directors and Company Officers against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of Director or Officer of the Company other than conduct involving a wilful breach of duty in relation to the Company. The total premiums paid in this regard amounted to $224,738.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company against a liability incurred as such an officer or auditor.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

DIRECTORS' MEETINGS

The following table sets out the number of Directors' meetings (including meetings of Committees of Directors) held during the financial year and the number of meetings attended by each Director (while they were a Director or Committee Member). During the financial year, 11 Board meetings, 2 Remuneration and Nomination Committee meetings and 3 Audit and Risk Committee meetings were held.

	BOARD OF DIRECTORS		REMUNERATION AND NOMINATION COMMITTEE		AUDIT AND RISK COMMITTEE	
DIRECTORS	ENTITLED TO ATTEND	ATTENDED	ENTITLED TO ATTEND	ATTENDED	ENTITLED TO ATTEND	ATTENDED
N. Mitchell	11	11	–	–	–	–
P. Miller	11	9	–	–	–	–
R. Douglas	11	10	2	2	3	3
N. O'Connor	11	10	2	2	3	3
S. Tumbridge	11	11	–	–	–	–
P. Hudson	11	10	2	2	3	3

NON-AUDIT SERVICES

There were no amounts paid or payable to the auditor for non-audit services provided during the year by the auditor. Refer to Note 23 to the Financial Statements.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration is included on page 34 of the Annual Report.

DIRECTORS' REPORT

For the year ended 30 June 2026

REMUNERATION REPORT — AUDITED

This Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of the Group's Key Management Personnel **(KMP)** for the financial year ended 30 June 2026. The term Key Management Personnel refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group.

Key Management Personnel

The Directors and other KMP of the Group during or since the end of the financial year were:

- **Nathan Andrew Mitchell** (Executive Chairman)
- **Scott David Tumbridge** (Non-executive Director)
- **Peter Richard Miller** (Non-Executive Director)
- **Robert Barry Douglas** (Non-Executive Director)
- **Neal Macrossan O'Connor** (Non-Executive Director)
- **Peter Geoffrey Hudson** (Non-Executive Director)
- **Andrew Michael Elf** (Chief Executive Officer)
- **Gregory Michael Switala** (Chief Financial Officer and Company Secretary)

Remuneration Policy

The Remuneration Policy of the Group has been designed to align KMP objectives with shareholder and business objectives by providing a fixed remuneration component to KMP and offering specific short-term and long-term incentives to eligible employees based on key performance areas affecting the Group's financial, operational and safety results. The Board believes the Remuneration Policy to be appropriate and effective in its ability to attract and retain high quality KMP to run and manage the Group.

The Board's policy for determining the nature and amount of remuneration for KMP of the Group is as follows:

- The Remuneration Policy is developed by the Remuneration and Nomination Committee and approved by the Board;
- All KMP receive a base salary (which is based on factors such as length of service and experience for employees and on a set annual director fee basis for directors) and superannuation. They may also receive fringe benefits and performance incentives (both short term and long term);
- The extent to which KMP (if eligible) receive performance incentives will depend on the performance of the Group with reference to specific key performance indicators;
- The performance indicators relating to incentives are aligned with the interests of the Group and therefore shareholders; and
- The Remuneration and Nomination Committee reviews KMP packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors.

Executive remuneration components

Under the Group's remuneration framework for the year ended 30 June 2026, the following remuneration components were available to executive KMP:

- **Fixed remuneration** that comprises salary and other benefits including superannuation.
- **Short term incentives (if eligible)** that comprise a cash-based performance bonus, the extent of which will depend on the Group's financial and safety performance and is designed to attract the highest calibre of executives and senior managers and reward them for performance results leading to growth in shareholder value.
- **Long term incentives (if eligible)** that comprise an equity only component whereby equity instruments are issued (subject to financial, operational and safety performance-based vesting conditions) to executives and senior managers under the Group's Executive Share and Option Plan (ESOP) designed to reward those executives and managers for long term growth in shareholder value.

The above structure is designed to provide an appropriate mix of variable and fixed remuneration and to provide an appropriate mix of short-term and long-term incentives to attract and retain high quality KMP and to align incentives with the short-term and long-term objectives of the Group.

DIRECTORS' REPORT

For the year ended 30 June 2026

To demonstrate the relationship between the Board's remuneration policy and company's performance, the below table sets out summary information about the group's revenue, EBITDA, earnings per share, share price and dividend history between 30 June 2022 and 30 June 2026.

	30 JUN 22	30 JUN 23	30 JUN 24	30 JUN 25	30 JUN 26
Revenue ($000's)	213,369	243,144	236,829	196,651	207,436
EBITDA ($000's)	32,153	41,167	40,384	25,667	42,767
Earnings per share (cents per share)	0.0	3.4	4.3	0.3	7.2
Share price (closing)	$0.32	$0.39	$0.445	$0.23	$0.485
Share price (VWAP)	$0.30	$0.34	$0.43	$0.25	$0.48
Dividends ($000's)		-	8,756	4,276	8,478

Fixed Remuneration

The level of fixed remuneration is determined based on various factors including length of service, experience, qualifications and with reference to remuneration paid by similar sized companies in similar industries and is designed to attract and retain high quality executive KMP. KMP receive a superannuation guarantee contribution required by the government, which was 12% (2025: 11.5%) of the individual's ordinary earnings, and do not receive any other retirement benefits. Accrued entitlements are paid to KMP upon cessation of employment. KMP will receive redundancy benefits if applicable.

The fixed remuneration paid to executive KMP during the 2026 and 2025 financial years is set out below:

EXECUTIVE KMP		SHORT-TERM EMPLOYEE BENEFITS	POST-EMPLOYMENT BENEFITS	LONG-TERM MONETARY BENEFITS	NON-MONETARY BENEFITS	TOTAL FIXED REMUNERATION
		Salary $	**Superannuation $**	**Long Service Leave[1] $**	**Motor Vehicles[2] $**	**Total $**
Nathan Andrew Mitchell	**2026**	**200,000**	**24,000**	**–**	**–**	**224,000**
Executive Chairman	2025	200,000	23,000	–	–	223,000
Andrew Michael Elf	**2026**	**482,175**	**57,861**	**14,420**	**26,815**	**581,271**
Chief Executive Officer	2025	450,000	51,750	9,295	26,815	537,860
Gregory Michael Switala	**2026**	**353,595**	**42,431**	**12,657**	**9,934**	**418,617**
Chief Financial Officer and Company Secretary	2025	330,000	37,950	7,055	9,934	384,939

1 These amounts were not actually provided to KMP during the financial year. This is the change in accrued long service leave and is measured in accordance with AASB 119 *Employee Benefits*.

2 The figures in this column relate to use of a Company motor vehicle to carry out duties as well as reasonable personal use. The amount included in the above remuneration table is the value attributable to such personal use calculated in accordance with the statutory requirements of the *Fringe Benefits Tax Act 1986*.

For the year ended 30 June 2026

Short term incentives

During the 2026 and 2025 financial years, the following cash-based, short-term performance bonuses were paid to executive KMP.

EXECUTIVE KMP		PERFORMANCE BONUS $	PERCENTAGE OF FIXED REMUNERATION
Andrew Michael Elf	**2026**	**101,250**	**17.42%**
Chief Executive Officer	2025	225,000	41.83%
Gregory Michael Switala	**2026**	**74,250**	**17.74%**
Chief Financial Officer and Company Secretary	2025	165,000	42.86%

The performance bonuses paid during the 2026 and 2025 financial year were based on the financial results and safety performance of the Group during the 2025 and 2024 financial years respectively. The extent of the bonus paid is at the discretion of the Board. To demonstrate the relationship between the short-term performance bonus payments and Group performance, the table below sets out summary information about the Group's earnings per share and safety performance between 30 June 2022 and 30 June 2026.

	30 JUN 22	30 JUN 23	30 JUN 24	30 JUN 25	30 JUN 26
Earnings per share (cents per share)	0.0	3.4	4.3	0.3	7.2
Serious Accident Frequency Rate (SAFR)	0.6	1.8	1.3	0.8	1.7

Long-term employee benefits

Mitchell Services Limited operates an Executive Share and Option Plan (ESOP) for executives and senior employees of the Group. In accordance with the provisions of the plan, as approved by shareholders at a previous annual general meeting, the Board may designate a Director or employee of the Company as an eligible participant of the ESOP (Eligible Participant). The Board may offer rights, options or shares to an Eligible Participant under the ESOP. A participant is not required to pay for the grant of any rights or options or for the issue of shares.

The objectives of the ESOP are to:

- Attract and retain a high standard of managerial and technical personnel for the benefit of the Group;
- Establish a method by which Eligible Participants can participate in future growth and profitability of the Group; and
- Provide an incentive and reward for Eligible Participants for their contributions to the Group.

Equity instruments issued under the ESOP are subject to satisfaction of certain vesting conditions (tested two years after the offer date). These performance conditions are detailed on page 21.

The Board may, at its absolute discretion, vary, add, remove or alter the vesting conditions and indicative proportional allocation for respective Eligible Participant roles in circumstances in which the Board considers that such a change is appropriate to ensure that the vesting conditions and proportional allocation of them continue to represent a fair measure of performance.

The vesting conditions are tested two years after the relevant securities are offered to an Eligible Participant.

The ESOP instruments are offered under the following major terms:

In the case of the options:

a. Subject to the satisfaction of vesting conditions, each option entitles the holder to purchase one fully paid ordinary share at an agreed purchase price (exercise price) as outlined in the offer.
b. The options will expire on a date that is the earlier of:
   i. the date upon which it is deemed that the vesting conditions have not been met
   ii. the date upon which the employee ceases employment
   iii. seven years after vesting date.
c. Options granted do not carry dividend or voting rights.

In the case of the shares:

a. Shares issued under the ESOP are held by a designated Corporate Trustee subject to the satisfaction of vesting conditions.
b. Upon satisfaction of vesting conditions, shares will be issued for nil consideration.

DIRECTORS' REPORT

For the year ended 30 June 2026

Offers made under the ESOP in 2026 and 2025

The table below summarises the shares and options offered to KMP pursuant to the ESOP during the 2026 and 2025 financial years.

Using a Black-Scholes pricing model for the options and closing market price for the shares, the table also sets out the estimated fair value of the ESOP instruments at grant date (or estimated grant date) and the percentage that value represents with reference to the KMP's fixed remuneration. The table also demonstrates that a significant majority of equity instruments granted in each year under the ESOP were in the form of options (as opposed to shares) and that the exercise prices (or "strike prices") of those options were 30% greater than the 30-day VWAP of MSV shares at the date of each offer.

This means that for an option granted under the ESOP to be "in the money", shareholder value (in the form of the share price) would need to increase significantly between the offer date and the exercise date.

All instruments offered under the ESOP in 2026 and 2025 and shown in the table below are subject to vesting conditions which will be tested two years after the offer date. That is, vesting conditions will be tested on 20 June 2027 for offers made in 2025 and on 19 June 2028 for offers made in 2026.

KMP	AWARD	OFFER DATE[1]	NUMBER OF INSTRUMENTS	FAIR VALUE PER INSTRUMENT AT GRANT DATE*	FAIR VALUE OF INSTRUMENTS AT GRANT DATE*	OPTION STRIKE PRICE	DATE AWARD MAY VEST
Andrew Michael Elf	Options	19 June 2026	438,130	$0.1537	$67,341	$0.640	19 June 2028
	Shares	19 June 2026	131,610	$0.4850	$63,831	na	19 June 2028
Gregory Michael Switala	Options	19 June 2026	320,672	$0.1537	$49,287	$0.640	19 June 2028
	Shares	19 June 2026	96,327	$0.4850	$46,719	na	19 June 2028
Andrew Michael Elf	Options	20 June 2025	422,705	$0.0438	$18,514	$0.340	20 June 2027
	Shares	20 June 2025	126,976	$0.2300	$29,204	na	20 June 2027
Gregory Michael Switala	Options	20 June 2025	310,525	$0.0438	$13,601	$0.340	20 June 2027
		20 June 2025	93,278	$0.2300	$21,454	na	20 June 2027

1 Reflects date these options were initially offered. These options will only become exercisable on the vesting date (the extent to which will be subject to the achievement of vesting conditions) and, as such, the grant date for purposes of AASB 2 *Share-Based Payments* is deferred until such time. The grant date fair value is estimated at the reporting date.

* For purposes of the above table, the fair value of the shares was determined with reference to the closing market price of a fully paid ordinary MSV share. In the case of the options, fair value was determined using a Black-Scholes pricing model with the following key assumptions and inputs in the measurement:

	PROVISIONALLY GRANTED DURING YEAR ENDED 30 JUNE 2026	PROVISIONALLY GRANTED DURING YEAR ENDED 30 JUNE 2025
Share price	$0.4850	$0.2300
Exercise price	$0.6400	$0.3400
Expected volatility	53%	47%
Expected life (after vesting)	3.5 years	3.5 years
Risk-free interest rate	4.37%	3.31%
Dividend yield	4.37%	3.65%
Fair value per option	$0.1537	$0.0438

Due to the deferral of the grant date (for purposes of AASB 2 *Share Based Payment* expense recognition) until the date upon which vesting is determined, the grant date fair value has been updated and provisionally estimated at the year-end date.

DIRECTORS' REPORT

For the year ended 30 June 2026

With respect to the 2025 comparatives above, the fair values attributed reflect the valuations disclosed in the 2025 Remuneration Report based on valuations at that time and have not been updated to reflect the change in market values as at 30 June 2026.

The vesting conditions in relation to the 2025 and 2026 offers are as follows:

a. Reported profit after tax performance of the Company having regard to respective prior year's profit after tax performance and performance against budget over the vesting period;
b. The Company's share price performance between the date of the offer and vesting date;
c. The Company's safety performance across all operations as determined on a financial year annual LTIFR (Lost Time Injury Frequency Rate) basis having regard to the respective prior years' LTIFR performance; and
d. EBITDA performance of the Company having regard to respective prior years' EBITDA performance and performance against budget over the vesting period.

The proportion of the vesting conditions listed above varies according to each Eligible Participant's role, with the following table providing indicative guidelines.

ROLE	(A)	(B)	(C)	(D)
Chief Executive Officer	25%	25%	25%	25%
Corporate Management	25%	25%	25%	25%
Operational Management	–	–	50%	50%

VESTING OF 2024 AND 2023 ESOP INSTRUMENTS IN 2026 AND 2025

The table below summarises the equity instruments offered to KMP pursuant to the ESOP during the 2024 and 2023 financial years and the extent of vesting of those instruments in 2026 and 2025.

KMP	AWARD	OFFER DATE[1]	NUMBER OF INSTRUMENTS	VESTED IN FY2026	VESTED IN FY2025	FAIR VALUE PER INSTRUMENT AT GRANT DATE	EXERCISABLE AT 30 JUNE 2026	OPTION STRIKE PRICE $
Andrew Michael Elf	Options	20 June 2024	410,528	379,738	–	$0.126	379,738	$0.555
	Shares	20 June 2024	123,319	114,070	–	$0.450	N/A	N/A
Gregory Michael Switala	Options	20 June 2024	300,002	277,502	–	$0.126	277,502	$0.555
	Shares	20 June 2024	90,117	83,358	–	$0.450	N/A	N/A
Andrew Michael Elf	Options	31 May 2023	414,552	–	248,731	$0.031	248,731	$0.62
	Shares	31 May 2023	124,528	–	74,716	$0.280	N/A	N/A
Gregory Michael Switala	Options	31 May 2023	304,047	–	182,428	$0.031	182,428	$0.62
	Shares	31 May 2023	91,333	–	54,799	$0.280	N/A	N/A

1 Reflects date these options were initially offered. These options only became exercisable on the vesting date (the extent to which was subject to the achievement of vesting conditions) and, as such, the grant date for purposes of AASB 2 *Share-Based Payment* expense recognition was deferred until 20 June 2026 for 2024 ESOP instruments and 30 May 2025 for 2023 ESOP

* For purposes of the above table, the fair value of the shares was determined with reference to the closing price of the Company's fully paid ordinary shares on vesting date. In the case of the options, fair value was determined using a Black-Scholes pricing model with the following key assumptions and inputs in the measurement:

** Options which vested during FY2026 and remain exercisable at 30 June 2026 have an expiry date of 30 June 2033 while options which vested during FY2025 and remain exercisable have an expiry date of 31 May 2032.

DIRECTORS' REPORT

For the year ended 30 June 2026

	VESTED DURING YEAR ENDED 30 JUNE 2026	VESTED DURING YEAR ENDED 30 JUNE 2025
Share price	$0.4500	$0.2800
Exercise price	$0.555	$0.62
Expected volatility	53%	47%
Expected life (after vesting)	3.5 years	3.5 years
Risk-free interest rate	4.46%	3.38%
Dividend yield	4.62%	3.35%
Fair value per option	$0.126	$0.031

In making a determination as to the extent of vesting of the 2023 ESOP instruments (in 2025) and 2024 ESOP instruments (in 2026), Directors considered the Group's performance against the following applicable vesting conditions:

a. NPAT performance of the Group having regard to respective prior years' NPAT performance and performance against budget over the vesting period;
b. share price performance between the date of the offer and the vesting date;
c. safety performance across all operations as determined on a financial year annual TRIFR basis, having regard to respective prior years' TRIFR performance; and
d. EBITDA performance of the Group having regard to respective prior years' EBITDA performance and performance against budget over the vesting period.

The proportion of the vesting conditions listed above varies according to each Eligible Participant's role, with the following table providing indicative guidelines.

ROLE	(A)	(B)	(C)	(D)
Chief Executive Officer	25%	25%	25%	25%
Corporate Management	25%	25%	25%	25%
Operational Management	–	–	50%	50%

To demonstrate the relationship between the extent of vesting and the Group's performance over the applicable vesting periods, the table below sets out summary information about the NPAT, share price, safety and operational (EBITDA) performance between 30 June 2022 and 30 June 2026.

	30 JUN 22	30 JUN 23	30 JUN 24	30 JUN 25	30 JUN 26
NPAT ($000's)	16	7,609	9,175	537	15,208
Share price (30-day VWAP)	29.8c	34.3c	43.3c	24.6c	47.6c
Total Recordable Injury Frequency Rate (TRIFR)	9.2	4.3	6.4	7.1	8.3
EBITDA ($000's)	32,153	41,167	40,384	25,667	42,767

DIRECTORS' REPORT

For the year ended 30 June 2026

Employment details of members of Key Management Personnel

The employment terms and conditions of KMP are formalised in contracts of employment. A contracted person deemed employed on a permanent basis may terminate their employment by providing the relevant notice period as outlined below.

	NOTICE PERIOD
Andrew Michael Elf	3 months
Gregory Michael Switala	3 months

Non-Executive Director Remuneration

Fees for Non-Executive Directors are set at a level to attract and retain Directors with the necessary skills and experience to allow the Board to have a proper understanding of, and competence to deal with, current and emerging issues. Remuneration for Non-Executive Directors is reviewed by the Remuneration and Nomination Committee and set by the Board, taking into account external benchmarking when required. The Non-Executive remuneration levels reflect the demands and responsibilities of the Directors but also reflect the historical financial position and performance of the Group in recent years following prolonged periods of subdued general market conditions in the broader resources and mining services sectors.

In addition to a cash-based fee (or salary), Non-Executive Directors receive a superannuation guarantee contribution required by the government, which during FY26 was 12% of the individual's ordinary earnings, and do not receive any other retirement benefits.

The aggregate cap on annual fees paid to Non-Executive Directors is currently $450,000, as approved by shareholders at the 2020 Annual General Meeting. The remuneration levels for Non-Executive Directors (including fees for the Chairman of the Audit & Risk Committee and Remuneration and Nominations Committee) is summarised below (exclusive of superannuation).

	FY26 $	FY25 $
Non-Executive Director Fees	70,000	70,000
Chairman of the Audit and Risk Committee	10,000	10,000
Chairman of the Remuneration and Nomination Committee	10,000	10,000
Committee member	5,000	5,000

DIRECTORS' REPORT

For the year ended 30 June 2026

Remuneration of Key Management Personnel

The compensation of each member of the KMP of the Group is set out below.

		SHORT-TERM EMPLOYEE BENEFITS	SHORT-TERM INCENTIVES	NON-MONETARY BENEFITS	POST-EMPLOYMENT BENEFITS	LONG-TERM EMPLOYEE BENEFITS			PERFORMANCE RELATED %
							EQUITY-SETTLED SHARE-BASED PAYMENTS		
		Salary* $	Bonus $	Motor Vehicles*[1] $	Super-annuation* $	Long Service Leave*[3] $	Shares[2] $	Options[2] $	
Nathan Andrew Mitchell	**2026**	**200,000**	**–**	**–**	**24,000**	**–**	**–**	**–**	**–**
Executive Chairman	2025	200,000	–	–	23,000	–	–	–	–
Scott David Tumbridge	**2026**	**70,000**	**–**	**–**	**8,400**	**–**	**–**	**–**	**–**
Non-Executive Director	2025	70,000	–	–	8,050	–	–	–	–
Peter Richard Miller	**2026**	**70,000**	**–**	**–**	**8,400**	**–**	**–**	**–**	**–**
Non-Executive Director	2025	70,000	–	–	8,050	–	–	–	–
Robert Barry Douglas	**2026**	**80,000**	**–**	**–**	**9,600**	**–**	**–**	**–**	**–**
Non-Executive Director	2025	80,000	–	–	9,200	–	–	–	–
Neal Macrossan O'Connor	**2026**	**85,000**	**–**	**–**	**10,200**	**–**	**–**	**–**	**–**
Non-Executive Director	2025	85,000	–	–	9,775	–	–	–	–
Peter Geoffrey Hudson	**2026**	**85,000**	**–**	**–**	**10,200**	**–**	**–**	**–**	**–**
Non-Executive Director	2025	85,000	–	–	9,775	–	–	–	–
Andrew Michael Elf	**2026**	**482,175**	**101,250**	**26,815**	**57,861**	**14,420**	**66,534**	**85,800**	**30.4%**
Chief Executive Officer	2025	450,000	225,000	26,815	51,750	9,295	7,284	(6,737)	29.5%
Gregory Michael Switala	**2026**	**353,595**	**74,250**	**9,934**	**42,431**	**12,657**	**48,730**	**62,859**	**30.7%**
Chief Financial Officer and Company Secretary	2025	330,000	165,000	9,934	37,950	7,055	5,283	(4,950)	30.0%

* Represents fixed remuneration

1 The figures in this column relate to use of a Company motor vehicle to carry out duties as well as reasonable personal use. The amount included in the above remuneration table is the value attributable to such personal use calculated in accordance with the statutory requirements of the *Fringe Benefits Tax Act* 1986.

2 These amounts were not actually provided to KMP during the financial year. The figures are calculated in accordance with the Australian Accounting Standards and are the amortised AASB fair values of equity instruments (whether vested or not) that have been offered to KMP. Refer to page 20 of this Remuneration Report for information on awards during the financial year and the vesting status of previous year's awards.

3 This is the change in accrued long service leave and is measured in accordance with AASB 119 *Employee benefits*.

DIRECTORS' REPORT

For the year ended 30 June 2026

KMP Shareholding

The movement during the reporting period in the number of ordinary shares in Mitchell Services Limited held directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

	HOLDING AT 1 JULY 2025	SHARES RECEIVED PURSUANT TO ESOP	NET OTHER CHANGES*	HOLDING AT 30 JUNE 2026
Executive KMP				
Nathan Andrew Mitchell	42,228,408	–	–	42,228,408
Andrew Michael Elf	74,716	114,070	(74,716)	114,070
Gregory Michael Switala	54,799	83,358	(54,799)	83,358
Non-Executive KMP				
Peter Richard Miller	2,412,505	–	–	2,412,505
Robert Barry Douglas	248,686	–	–	248,686
Neal Macrossan O'Connor	131,499	–	–	131,499
Peter Hudson	20,000	–	–	20,000
Scott David Tumbridge[1]	16,184,612	–	(1,830,544)	14,354,068

* Net other changes represent shares that were purchased or sold during the year

1 Mr Tumbridge's holding at date of resignation, being 30 June 2026.

The movement during the reporting period in the number of options to purchase ordinary shares in Mitchell Services Limited held directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

	HOLDING AT 1 JULY 2025	OPTIONS OFFERED PURSUANT TO ESOP	OPTIONS THAT EXPIRED	OPTIONS THAT LAPSED UPON VESTING DETERMINATION	HOLDING AT 30 JUNE 2026	VESTED AND EXERCISABLE AT 30 JUNE 2026*
Executive KMP						
Nathan Andrew Mitchell	–	–	–	–	–	–
Andrew Michael Elf	2,639,227	438,130	(325,070)	(30,790)	2,721,497	1,860,661
Gregory Michael Switala	1,866,467	320,672	(242,010)	(22,500)	1,922,629	1,291,432
Non-Executive KMP						
Peter Richard Miller	–	–	–	–	–	–
Robert Barry Douglas	–	–	–	–	–	–
Neal Macrossan O'Connor	–	–	–	–	–	–
Peter Hudson	–	–	–	–	–	–
Scott David Tumbridge	–	–	–	–	–	–

* Options offered pursuant to the 2025 and 2026 ESOP offers remain subject to the determination of vesting conditions and as such are not exercisable at 30 June 2026. The strike prices of options that are exercisable at 30 June 2026 vary between $0.555 and $1.10.

DIRECTORS' REPORT

For the year ended 30 June 2026

Other transactions with KMP

A number of KMP, or their related parties, hold positions in other entities that result in them having control, or joint control, over the financial or operating policies of those entities.

A number of these entities transacted with the Group during the year. The terms and conditions of the transactions with KMP and their related parties were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions to non-KMP related entities on an arm's length basis.

This Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of Directors made pursuant to section 298(2) of the *Corporations Act 2001*.

On behalf of the Directors

Nathan Andrew Mitchell
Executive Chairman

Dated at Brisbane this 21st day of August 2026

CORPORATE GOVERNANCE STATEMENT

For the year ended 30 June 2026

The Board considers there to be a clear and positive relationship between the creation and delivery of long-term shareholder value and high-quality corporate governance. Accordingly, in pursuing its objective, the Board has committed to corporate governance arrangements that strive to foster the values of integrity, respect, trust and openness amongst and between the Board members, management, employees, customers and suppliers.

Unless stated otherwise in this document, the Board's corporate governance arrangements comply with the recommendations of the ASX Corporate Governance Council as outlined in the 4th edition of the Corporate Governance Principles and Recommendations ('Recommendations') for the financial year ended 30 June 2026.

1. BOARD OF DIRECTORS

1.1. Role of the Board

The Board's primary role is the protection and enhancement of long-term shareholder value. This, together with the Board's other roles and responsibilities, is set out in the Board Charter, a copy of which can be found on the Group's website.

To fulfil this role, the Board is responsible for the overall corporate governance of the Group including formulating its strategic direction, approving and monitoring capital expenditure, setting remuneration, appointing, removing and creating succession policies for Directors and senior executives, establishing and monitoring the achievement of management's goals and ensuring the integrity of risk management, internal control, legal compliance and management information systems. It is also responsible for approving and monitoring financial and other reporting.

The Board has delegated responsibility for operation and administration of the Group to the Chief Executive Officer and Executive Management. Responsibilities are delineated by formal authority delegations.

1.2. Board processes

To assist in the execution of its responsibilities, the Board has established two board committees being the Remuneration and Nominations Committee and the Audit and Risk Committee. Both committees have written charters which are reviewed on a regular basis. The Board has also established a framework for the management of the Group including a system of internal control, a business risk management process and the establishment of appropriate ethical standards.

The full Board currently holds not less than 10 scheduled meetings each year, plus strategy meetings and any extraordinary meetings at such other times as may be necessary to address any specific significant matters that may arise.

The agenda for meetings is prepared by the Company Secretary in conjunction with the Chairman. Standing items include the Chief Executive Officer report, People and Risk report, Human Resources Report, General Manager Operations reports, Financial reports, Asset reports and Commercial and Business Development reports. The Board package is provided to Directors and relevant management in advance of meetings. Executives are regularly involved in Board discussions and Directors have other opportunities, including visits to business operations, for contact with a wider group of employees.

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters associated with the proper functioning of the Board.

1.3. Director and executive education

The Group has an informal induction process to educate new Directors about the nature of the business, current issues, the corporate strategy, the culture and values of the Group, and the expectations of the Group concerning performance of Directors. In addition, Directors are also educated regarding meeting arrangements and Director interaction with each other, senior executives and other stakeholders. Directors also have the opportunity to visit Group facilities and meet with management to gain a better understanding of business operations and operating environment. Directors are given access to continuing education opportunities to update and enhance their skills and knowledge.

The Group also has an informal process to induct new senior executives upon taking such positions. This involves educating the executives on the Group's structure, strategy, operations, financial position and risk management policies.

1.4. Independent professional advice and access to Group information

Each Director has the right of access to all relevant Group information and to the Group's Executives and, subject to prior consultation with the Chairman, may seek independent professional advice from a suitably qualified adviser at the Group's expense. The Directors must consult with an adviser suitably qualified in the relevant field and obtain the Chairman's approval of the fee payable for the advice before proceeding with the consultation. A copy of the advice received by the Directors is made available to all other members of the Board.

CORPORATE GOVERNANCE STATEMENT

For the year ended 30 June 2026

1.5. Composition of the Board

The names of the Directors of the Company in office at the date of this report together with their respective mix of skills, experience and length of service are set out in the Directors' Report on page 8 and 9 of this report.

The Group believes, for efficiency of operations, it is in its best interests to maintain a small but efficient Board. During the 12 months ended 30 June 2026, the Board consisted of 5 Non-executive Directors (being Scott Tumbridge, Peter Miller, Robert Douglas, Neal O'Connor and Peter Hudson) and Executive Chairman, Nathan Mitchell. Throughout the 12 months ended 30 June 2026, three of the six board members are considered independent, being Robert Douglas, Neal O'Connor and Peter Hudson.

The Executive Chairman is Mr Nathan Mitchell. Under the guidelines, Mr Mitchell does not meet the criteria for independence as he is a director of a substantial shareholder. Peter Richard Miller was previously employed by the Company in an executive capacity and as such does not meet the criteria for independence. Mr Scott Tumbridge does not meet the criteria for independence as he was previously employed by the Group in an executive capacity. He is also a director of a substantial shareholder. Under the guidelines, the majority of the Board should be independent as should the Chair. All Directors are committed to bringing their independent views and judgment to the Board and, in accordance with the *Corporations Act 2001*, must inform the Board if they have any interest that could conflict with those of the Group. Where the Board considers that a conflict exists, the Director concerned will not be present at the meeting while the item is considered. For these reasons, the Board believes that each of these Directors may be considered to be acting independently in the execution of their duties.

Additionally, notwithstanding Mr Mitchell's executive capacity and non-independent status, it is the view of the Board that Mr Mitchell brings a particular and unparalleled skills set to the Group, having established the Company, been involved in the drilling industry for his entire working life and being a pioneer of this industry in Australia, is uniquely placed to act as Chairman of the Group.

The Board considers the mix of skills and the diversity of Board members when assessing the composition of the Board. The Board assesses existing and potential Directors' skills to ensure they have appropriate industry expertise in the Group's business operations. The Board undertakes appropriate checks before appointing a person as a Director and provides security holders with all material information relevant to a decision on whether or not to elect a Director. The Board's policy is to seek a diverse range of Directors who have a range of skills, ages, genders and ethnicity that complements the environment in which the Group operates and having due regard to the current size of the Group (refer section 8 on skills and diversity). Directors each have a written agreement with the Group setting out the terms of their appointment.

2. REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee has a documented charter, approved by the Board. The Remuneration and Nomination Committee comprises three members — Neal O'Connor (Chair), Robert Douglas and Peter Hudson — each of whom are Non-Executive Directors. The Chairman of the Committee, Neal O'Connor, is an independent Director. The Committee has two distinct roles as follows:

- Remuneration related matters; and
- Nomination related matters.

All Directors are invited to Remuneration and Nomination Committee meetings at the discretion of the Committee. The Committee met twice during the year and Committee members' attendance record is disclosed in the table of Directors' meetings on page 16 of this report.

Remuneration related matters

The Committee assists the Board in the general application of the remuneration policy. In doing so, the Committee is responsible for:

- Developing remuneration policies for Directors and Key Management Personnel;
- Reviewing Key Management Personnel packages annually and, based on these reviews, making recommendations to the Board on remuneration levels for Key Management Personnel; and
- Assisting the Board in reviewing Key Management Personnel performance annually.

Executive Directors and Senior Executives are remunerated by way of salary, non-monetary benefits, statutory superannuation, short-term incentive payments and participation in the Mitchell Services Limited Executive Share and Option Plan (ESOP) in accordance with written agreements that set out the terms of their appointments. Non-Executive Directors are remunerated by way of salary and statutory superannuation. There are no schemes for retirement benefits for Directors other than statutory superannuation arrangements. Further disclosure on the policies and practices regarding remuneration is contained in the Remuneration Report of this Annual Report.

CORPORATE GOVERNANCE STATEMENT

For the year ended 30 June 2026

Nomination related matters

The Committee assists the Board in ensuring that the Board comprises Directors with a range and mix of attributes appropriate for achieving its objective. The Committee does this by:

- Overseeing the appointment and induction process for Directors;
- Reviewing the skills and expertise of Directors and identifying potential deficiencies;
- Identifying suitable candidates for the Board;
- Overseeing Board and Directors reviews on an annual basis; and
- Establishing succession planning arrangements for the Executive team.

3. AUDIT AND RISK COMMITTEE

The Audit and Risk Committee has a documented charter, approved by the Board. The Committee comprises three members – Peter Hudson (Chair), Neal O'Connor and Robert Douglas - each of whom are Non-Executive Directors

The Chairman of the Committee, Peter Hudson, is an independent Director and is not the Chairman of the Board. The purpose of the Committee is to assist the Board in the effective discharge of its responsibilities in relation to the external audit function, accounting policies, financial reporting, funding, financial risk management, business risk monitoring and insurance.

The external auditors and the Chief Executive Officer are invited to Audit and Risk Committee meetings at the discretion of the Committee. The Committee met three times during the year and Committee members' attendance record is disclosed in the table of Directors' meetings on page 16 of this report.

The Chief Executive Officer and the Chief Financial Officer declared in writing to the Board that the financial records of the Group for the financial year have been properly maintained, the Group's financial reports for the financial year ended 30 June 2026 comply with accounting standards and present a true and fair view of the Group's financial condition and operational results and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. This statement is required annually.

The Group's external auditor audits, or in the case of the half-year, reviews the Group's financial reports in accordance with the accounting standards.

Management verifies other periodic corporate reports. The verification processes involve a management and operational review and include cross checking statements, information and data to original source reports.

All documents released to the market are subject to final sign off and approval by relevant senior executives and, as required, the Board.

4. PERFORMANCE EVALUATION

The Remuneration and Nomination Committee is required to annually review the effectiveness of the functioning of the Board, its committees, individual Directors and Senior Executives through internal peer review.

5. RISK MANAGEMENT

The Board considers identification and management of key risks associated with the business as vital to creating and delivering long-term shareholder value.

The main risks that could negatively impact on the performance of the Group's business activities include:

- Safety of employees and contractors;
- Seasonal conditions and business interruptions;
- Dependence on key personnel and labour shortages;
- Obsolescence to certain machinery due to technological advancements or client requirements;
- Customer demand and outlook for the resources industry.

An assessment of the business' risk profile and its risk management framework is undertaken and reviewed by the Board at least annually, covering all aspects of the business from the operational level through to strategic level risks to ensure that the Group is operating within the risk appetite set by the Board. Executive management has been delegated the task of implementing internal controls to identify and manage risks for which the Board provides oversight. The effectiveness of these controls is monitored and reviewed regularly by management. Executive management has reported on an ongoing basis (via monthly Board meetings) to the Board as to whether the Group's business risks have been effectively managed.

CORPORATE GOVERNANCE STATEMENT

For the year ended 30 June 2026

In addition to their regular reporting on business risks, risk management and internal control systems, the Chief Executive Officer and Chief Financial Officer have provided assurance, in writing to the Board:

- That the financial reporting risk management and associated compliance and controls have been assessed and found to be operating effectively; and
- The Group's financial reports are founded on a sound system of risk management and internal compliance and control.

The Group's operations are not subject to any particular and significant environmental regulation under the law of the Commonwealth or a State or Territory. However, the Group does provide services to entities that are licensed or otherwise subject to conditions for the purposes of environmental legislation or regulation. In such cases, the Group manages its risks and undertakes its compliance duties in accordance with contractor regime implemented by the licensed or regulated entity. Additionally, the Group is not aware of any material exposure to any particular social risks.

The Board is responsible for the overall internal control framework but recognises that no cost-effective internal control system will preclude all errors and irregularities. Given the size of the Group, there is no dedicated internal audit function. In the absence of an internal audit function, comprehensive practices have been established to ensure:

- Capital expenditure and revenue commitments above a certain size obtain prior Board approval;
- Financial exposures are controlled;
- Health and safety standards and management systems are monitored and reviewed to achieve high standards of performance and compliance with regulations;
- Business transactions are properly authorised and executed;
- The quality and integrity of personnel;
- Financial reporting accuracy and compliance with the financial reporting regulatory framework. Monthly actual results are reported against budgets approved by the Directors and revised forecasts for the year are prepared regularly; and
- Regulation compliance. The Group's health, safety, environment and sustainability obligations are monitored by all members of the Board.

6. ETHICAL STANDARDS AND GROUP VALUES

All Directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group and to live the Group's values. Every employee has a nominated supervisor to whom they may refer any issues arising from their employment. The Board reviews its Code of Conduct and Ethics regularly and processes are in place to promote and communicate these policies.

Conflict of interest

Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Group. The Board has developed procedures to assist Directors to disclose potential conflicts of interest.

Where the Board believes that a conflict exists the Director concerned will not be present at the meeting while the item is considered. Details of Director related entity transactions with the Group are set out in note 21 to the financial statements.

Code of Conduct

The Group has advised each Director, manager and employee that they must comply with the Group's Code of Conduct and Ethics. The code requires all Directors, management and employees to, at all times and with all relevant stakeholders:

- Act honestly and in good faith;
- Exercise due care and diligence in fulfilling the functions of office;
- Avoid conflicts and make full disclosure of any possible conflict of interest;
- Comply with both the letter and spirit of the law;
- Encourage the reporting and investigation of unlawful and unethical behaviour; and
- Comply with the security trading policy.

CORPORATE GOVERNANCE STATEMENT

For the year ended 30 June 2026

Whistleblower Policy

The Group is committed to encouraging and supporting ethical and responsible behaviour. It is also committed to creating and maintaining an open working environment in which concerns regarding unethical, unlawful or undesirable conduct are able to be raised and reported. The policy sets out:

- The process by which concerns can be reported without fear of reprisal
- The investigation process to follow on receipt of a whistleblower report
- The Group's commitment to rectify any discovered wrongdoing
- The measures in place to protect the whistleblower.

Security Trading Policy

The Security Trading Policy restricts Directors and employees from acting on price sensitive information (which is not available to the public) until it has been released to the market and adequate time has been given for this to be reflected in the Company's share price.

Directors and other Key Management Personnel are also prohibited from trading during closed periods. Closed periods are the following periods:

- The period from 1 July until the first trading day after the release of the Company's annual result to the ASX; and
- The period from 1 January until the first trading day after the release of the Company's half yearly result to the ASX; and
- The period from 1 October until the first trading day after the release of the Company's 30 September quarterly investor report; and
- The period from 1 April until the first trading day after the release of the Company's 30 March quarterly investor report.

Anti Bribery and Corruption Policy

The Group is committed to protecting its assets and reputation by reinforcing the Board and management's commitment to identify if there are any fraudulent and corrupt activities, for establishing policies, controls and procedures for the prevention and detection of any such activities that may exist and to reinforce to all employees to report any corrupt and fraudulent conduct that they may be aware of.

The policy sets out:

- Definitions of Bribery and Corruption;
- Examples of conduct which amounts to bribery and /or corruption
- Rules around the prohibition of bribes and facilitation payments
- Rules around gifts and hospitality and gift and entertainment expenditure
- Rules around charitable contributions.

Sexual Harassment Policy

The Group is committed to providing a safe environment for all. Pursuant to the Sexual Harassment Policy, all complaints of sexual harassment will be taken seriously and treated with respect and in confidence. No person will be victimised for making such a complaint and any person found to have sexually harassed another will face disciplinary action.
The policy sets out:

- Definition of Sexual Harassment;
- The complaints procedures
- Sanctions and disciplinary measures
- Monitoring and evaluation.

Workplace Bullying Policy

The Group is committed to preventing workplace bullying. Pursuant to the Workplace Bullying Policy, all staff have the right to a workplace that is free from bullying. The policy sets out:

- Behaviours that constitute bullying;
- The reporting procedures
- The investigation procedures
- Outcomes of the reporting and investigation process.

Group Values

The Group has adopted and is committed to upholding the following values:

- Finish each day without harm
- Foster a culture of respect, support, trust and recognition
- Never openly criticise any team member. Blame is not productive
- Understand your role. Embrace your role. Execute your role
- Provide quality services through effective strategy, structure and systems
- Continuously improve and find a better way.

The Group Values are published on the Group's website.

CORPORATE GOVERNANCE STATEMENT

For the year ended 30 June 2026

7. COMMUNICATION WITH SHAREHOLDERS

The Board provides shareholders with information using a comprehensive Continuous Disclosure Policy and investor relations program which includes identifying matters that may have a material effect on the price of the Company's shares and notifying them to the ASX.

In summary, the Continuous Disclosure Policy operates as follows:

- The Company Secretary (also the Chief Financial Officer) and the Chief Executive Officer are responsible for interpreting the Group's policy and where necessary informing the Board. The Company Secretary is responsible for all communications with the ASX.
- The full Annual Report is provided via the Company's website to all shareholders. It provides relevant information about the operations of the Group during the year, changes in the state of affairs and details of future developments.
- The half-yearly report contains summarised financial information and a review of the operations of the Group during the period. The half-year reviewed financial report is lodged with the ASX and sent to any shareholder who requests it.
- Proposed major changes in the Group which may impact on share ownership rights are submitted to a vote of shareholders.
- All announcements made to the market can be accessed via the Company's website after they have been released to the ASX.
- The external auditor attends the Annual General Meetings to answer questions concerning the conduct of the audit, the preparation and content of the auditor's report, accounting policies adopted by the Group and the independence of the auditor in relation to the conduct of the audit.

Copies of all material market announcements are provided to the Directors promptly after such announcements have been made to the market. Any new and substantive investor or analyst presentations are released by the Group to the market ahead of any presentation to investors and/or analysts.

Governance-related materials are available for review by shareholders under the 'Investors' section of the Group's website and includes all key corporate policies. In the event that shareholders have any queries as to their holding or as regards the Group's operations, an investor email address (investors@mitchellservices.com.au) is available, and all enquiries are promptly addressed. Shareholders are welcome to attend investor briefings and to ask questions at those briefings. Details of these briefings are released to the market periodically by of the ASX platform.

The Group strongly encourages shareholders to elect to receive all communications via its registrar (Link Market Services) electronically.

The Board encourages full participation of shareholders at the Annual General Meeting (AGM), to ensure a high level of accountability and identification with the Group's strategy and goals. Important issues are presented to the shareholders as single resolutions. Shareholders are encouraged to submit questions ahead of the AGM so that these may be addressed at the AGM.

In determining whether resolutions put to a meeting of shareholders are to be decided by a poll, the Group will have regard to the requirements of the ASX as set out in Guidance Note 35 (i.e. that all Listing Rule resolutions be decided by a poll), as well as the obligation of the Chair, being aware of the final proxy count, to ensure that the will of the meeting is delivered in the final result of the resolution.

8. SKILLS AND DIVERSITY

Diversity

The Company has an established Equity and Diversity Policy relating to its Board Members, Senior Executives and across the whole organisation with an objective to recruit and manage on the basis of qualification for the position and performance; regardless of gender, age, nationality, race, religious beliefs, cultural background or sexuality.

In summary, the Equity and Diversity Policy operates as follows:

The Company has zero tolerance toward discrimination.

To achieve this, we are committed to:

- Ensuring a working environment that is free of all forms of harassment.
- Valuing the diversity among our employees, and all those with whom we do business.
- Conducting business activities such as the hiring, promotion, and compensation of employees without regard to race, colour, religion, gender, gender identity or expression, sexual orientation, national origin, genetics, disability, or age.
- The employment and development of Indigenous employees in all the areas where we operate.
- Complying with all applicable legislative requirements.

CORPORATE GOVERNANCE STATEMENT

For the year ended 30 June 2026

To achieve this, we will:

- Adhere to the Company Code of Conduct and be guided by the Company's Values.
- Recruit a diverse range of people with a diverse range of talents to help us achieve our goals.
- Employ the best person for the job regardless of race, colour, religion, gender, gender identity or expression, sexual orientation, national origin, genetics, disability, or age.
- Select on the principles of merit and fairness in all employment practices.
- Ensure that all reports of workplace discrimination are treated seriously, promptly and fairly with due regard to the principles of procedural fairness, natural justice and confidentiality.
- Take appropriate action against individuals engaging in discriminatory conduct.
- Build relationships and promote opportunities for Indigenous peoples throughout all of our operations, while encouraging cultural awareness and respect amongst our staff.
- Make confidential counselling and support available to employees to assist with any workplace issues that may arise.

The Group notes recommendation 1.5(b) of the Recommendations in relation to the setting of measurable objectives for achieving diversity. The Group currently has a diverse workplace in terms of age, skillsets, ethnicity, cultural background and gender and as such believes that the objectives of its Equity and Diversity Policy are currently being met. As such the Group has not set firm gender (or other) diversity targets. This will continue to be monitored on an annual basis.

The proportion of women employees in the whole organisation is detailed below:

	2026		2025	
	NO.	%	NO.	%
Women on the Board	–	–	–	–
Women in senior management roles	–	–	–	–
Women in head office roles	21	51.2	22	55.0
Women employees in the Group	30	5.20	35	6.17

Skills matrix

The Company aims to maintain a diverse, multi-skilled Board with a range of different skills and expertise. At a minimum, these skills and expertise include:

- Capital management and corporate finance experience
- Experience at both executive and non-executive levels
- An understanding of the drilling industry and mining services sector
- Exceptional leadership skills
- Experience in workplace health and safety
- An understanding of technological advances in the mining services industry
- Financial acumen and strategic capabilities
- Environment and sustainability experience
- An understanding of risk management.
- An understanding of information systems, technology and security.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Mitchell Services Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of the financial report of Mitchell Services Limited for the financial year ended 30 June 2026 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

M J Jeffery
Partner

Brisbane
21 August 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2026

	NOTE	2026 $	2025 $
Revenue	2	207,435,763	196,650,587
Other income	8	2,238,339	191,302
Gain on sale of assets		1,417,493	1,347,364
Drilling consumables	6	(18,875,226)	(17,878,284)
Employee and contract labour expenses		(102,604,656)	(104,341,084)
Fuel and oil		(2,977,260)	(2,665,566)
Freight and couriers		(2,313,586)	(2,936,767)
Hire of plant and equipment		(10,219,068)	(12,345,340)
Insurances		(1,379,996)	(1,341,019)
Legal and consultant fees		(1,560,236)	(908,851)
Rent	7	(524,142)	(575,151)
Service and repairs		(12,181,434)	(13,465,110)
Travel expenses		(7,412,735)	(8,396,280)
Depreciation expense		(21,270,867)	(23,860,052)
Impairment loss	8	(1,419,042)	-
Share of net assets of equity-accounted investee	10	620,989	(90,952)
Movement in financial assets at FVTPL	11	(66,000)	-
Finance costs		(877,911)	(1,255,283)
Other expenses		(7,268,386)	(7,399,717)
Profit before tax		**20,762,039**	**729,797**
Income tax expense	13	(5,553,764)	(192,923)
Profit for the year		**15,208,275**	**536,874**
Other comprehensive income, net of income tax			
Other comprehensive income for the year, net of income tax		-	-
Total comprehensive income for the year		**15,208,275**	**536,874**
Profit attributable to:			
Owners of the parent		**15,208,275**	**536,874**
Total comprehensive income attributable to:			
Owners of the parent		**15,208,275**	**536,874**
Earnings per share			
Basic (cents per share)	25	7.2	0.3
Diluted (cents per share)	25	7.2	0.3

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	NOTE	2026 $	2025 $
ASSETS			
Current assets			
Cash and cash equivalents	**3**	12,144,332	1,345,083
Trade and other receivables	**4**	32,029,387	28,662,095
Other assets	**5**	2,297,769	1,762,036
Inventories	**6**	10,776,560	13,576,357
Total current assets		**57,248,048**	**45,345,571**
Non-current assets			
Right-of-use assets	**7**	2,558,665	876,696
Property, plant, and equipment	**8**	56,987,493	59,234,308
Intangible assets	**9**	5,755,572	5,755,572
Equity-accounted investee	**10**	680,137	59,148
Financial assets at FVTPL	**11**	234,000	–
Total non-current assets		**66,215,867**	**65,925,724**
Total assets		**123,463,915**	**111,271,295**
LIABILITIES			
Current liabilities			
Trade and other payables	**12**	22,667,565	19,235,532
Income tax payable	**13**	5,157,264	2,552,357
Financial liabilities	**14**	6,448,378	5,577,977
Provisions	**15**	13,324,797	11,266,406
Total current liabilities		**47,598,004**	**38,632,272**
Non-current liabilities			
Financial liabilities	**14**	4,974,999	5,189,734
Deferred tax liabilities	**13**	1,367,335	5,195,597
Provisions	**15**	1,195,497	1,218,143
Total non-current liabilities		**7,537,831**	**11,603,474**
Total liabilities		**55,135,835**	**50,235,746**
Net assets		**68,328,080**	**61,035,549**
EQUITY			
Issued capital		74,701,130	74,701,130
Retained earnings		(6,373,050)	(13,665,581)
Total equity		**68,328,080**	**61,035,549**

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2026

	NOTE	ISSUED CAPITAL $	RETAINED EARNINGS $	TOTAL $
Balance at 1 July 2024		**75,553,379**	**(9,923,531)**	**65,629,848**
Comprehensive income				
Profit for the year		–	536,874	536,874
Other comprehensive income for the year		–	–	–
Total comprehensive income for the year		**-**	**536,874**	**536,874**
Transactions with owners of the Company				
Shares bought back on-market and transaction costs	**16**	(852,249)	–	(852,249)
Dividends declared		–	(4,275,679)	(4,275,679)
Recognition of share-based payments	**17**	–	(3,245)	(3,245)
Total transactions with owners of the Company		(852,249)	(4,278,924)	(5,131,173)
Balance at 30 June 2025		**74,701,130**	**(13,665,581)**	**61,035,549**
Comprehensive income				
Profit for the year		–	15,208,275	15,208,275
Other comprehensive income for the year		–	–	–
Total comprehensive income for the year		**-**	**15,208,275**	**15,208,275**
Transactions with owners of the Company				
Dividends declared		–	(8,478,496)	(8,478,496)
Recognition of share-based payments	**17**	–	562,752	562,752
Total transactions with owners of the Company		–	(7,915,744)	(7,915,744)
Balance at 30 June 2026		**74,701,130**	**(6,373,050)**	**68,328,080**

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2026

	NOTE	2026 $	2025 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		225,042,331	216,003,313
Payments to suppliers and employees		(180,159,619)	(197,115,696)
Interest received		142,312	176,661
Interest paid		(864,355)	(1,142,132)
Income tax paid		(6,777,119)	-
Net cash provided by operating activities	**18**	**37,383,550**	**17,922,146**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		4,885,507	2,108,061
Payment for property, plant and equipment		(18,847,018)	(19,974,783)
Loans advanced to equity accounted investee		-	(150,000)
Payment for investment in equity accounted investee		-	(100)
Net cash used in investing activities		**(13,961,511)**	**(18,016,822)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		2,256,259	-
Repayment of borrowings		(6,400,553)	(9,467,145)
Share buy-back	**16**	-	(852,249)
Dividends paid		(8,478,496)	(4,275,679)
Net cash used in financing activities		**(12,622,790)**	**(14,595,073)**
Net increase/(decrease) in cash and cash equivalents		10,799,249	(14,689,749)
Cash and cash equivalents at the beginning of the year		1,345,083	16,034,832
Cash and cash equivalents at the end of the year	**3**	**12,144,332**	**1,345,083**

The accompanying notes are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

1. MATERIAL ACCOUNTING POLICIES

(a) General information

Mitchell Services Ltd (**Company**) is a limited company incorporated in Australia. The addresses of its registered office and principal place of business are disclosed in the Corporate Directory of this Annual Report. The principal activities of the Company and its subsidiaries (**Group**) are exploration, mine site and geotechnical drilling services to the exploration, mining and civil construction industries within Australia and Papua New Guinea.

(b) Basis of preparation

These general-purpose consolidated financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these consolidated financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

These consolidated financial statements are presented in Australian Dollars which is the Company's functional currency.

The consolidated financial statements were authorised for issue by the Directors on the date shown in the Directors' Declaration.

(c) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the Company and all of the subsidiaries. Subsidiaries are entities that the Parent controls. The Parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 19.

The assets, liabilities and results of all subsidiaries are consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the consolidated statement of financial position and consolidated statement of comprehensive income.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Interest in equity-accounted investee

The Group's interest in equity-accounted investee comprise its interest in Loop Decarbonisation Solutions Pty Ltd (Loop), a joint venture in which the Group has joint control. The interest in the joint venture is accounted for under the equity method and was initially recognised at cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of Loop's profit or loss. Loop is structured as a separate vehicle, and the Group has a residual interest in its net assets. Refer also Note 19.

(d) Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised.

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

(e) Intangibles

Goodwill and Impairment

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

(i) the consideration transferred at fair value;

(ii) any non-controlling interest (determined under either the fair value or proportionate interest method); and

(iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of any identifiable assets acquired and liabilities assumed.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139 *Financial Instruments: Recognition and Measurement*, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value *(full goodwill method)* or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets *(proportionate interest method)*. In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective note to the financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored and not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

Customer contracts

Customer contracts acquired are initially recognised at fair value and are subsequently carried at fair value less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over the contract period or estimated useful life, whichever is shorter.

(f) Revenue recognition

Revenue is recognised, net of the amount of goods and services tax (GST), for the major business activities as follows:

Revenue from contracts with customers

The Group provides drilling services to the exploration, mining and energy industries pursuant to service contracts with a variety of clients in those sectors. The revenue associated with these drilling contracts is recognised in accordance with AASB15 *Revenue from Contracts with Customers*, that is in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue from customer contracts is recognised upon satisfaction of a performance obligation under those contracts either over time in accordance with specified units of production (for example metres drilled or hours worked, invoiced throughout the month) or at a point in time when control passes to the customer under those contracts (for example the sale or hire of certain items including consumables).

Invoices for drilling services are issued pursuant to the terms of the contracts with customers. These are generally issued on a monthly basis and payable within a period of between 30 and 60 days. The timing of revenue recognition may differ from the timing of invoicing and may result in a contract asset or liability being presented in the consolidated statement of financial position.

Interest income

Interest income from a financial asset is recognised under the effective interest method. It is calculated by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Other revenue is recognised when the right to receive the revenue has been established.

(g) Leases

The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e., a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(h) Employee benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages and salaries are recognised as part of current trade and other payables in the consolidated statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the consolidated statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the period in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its consolidated statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Defined contribution superannuation benefits

All employees of the Group receive defined contribution superannuation entitlements, for which the Group pays the fixed superannuation guarantee contribution to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Group's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Group's consolidated statement of financial position.

Termination benefits

When applicable, the Group recognises a liability and expense for termination benefits at the earlier of:

- the date when the Group can no longer withdraw the offer for termination benefits; and
- when the Group recognises costs for restructuring pursuant to AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the costs include termination benefits.

In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

Equity-settled compensation

The Group operates an employee share and option plan. Share-based payments to employees are measured at the fair value of the instruments at grant date and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amounts are recognised in profit or loss. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

(i) Income taxes

The income tax expense (benefit) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

a. the initial recognition of goodwill; or
b. the initial recognition of an asset or liability in a transaction which:
    i. is not a business combination; and
    ii. at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss); and
    iii. at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised, unless the deferred tax asset relating to temporary differences arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where:

i. a legally enforceable right of set-off exists; and
ii. the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

Tax consolidation

The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Mitchell Services Ltd. The members of the tax-consolidated Group are identified in Note 19. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the "separate taxpayer within group" approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group). Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the Company and each member of the Group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement.

(j) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour and any other costs directly attributable to bringing the assets to a working condition for their intended use.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the expenditure will flow to the Group. On-going repairs and maintenance are expensed as incurred.

Depreciation

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of property, plant and equipment using both the diminishing value basis or straight-line basis over their estimated useful lives. Depreciation is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The depreciation rates used for the current and comparative years of significant items of property, plant and equipment are as follows:

CLASSES OF FIXED ASSET	
Leasehold improvements	10% – 40%
Plant & Equipment	6.67% – 80%
Motor Vehicles	10% – 50%
Furniture & Fittings	10% – 67.67%

Depreciation methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

Impairment of property, plant and equipment

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, to the extent that the increased amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a re-valued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

(l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(m) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of the two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost if it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income if it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gain or loss on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 *Business Combinations* applies, the Group may make an irrevocable election to measure any subsequent changes in fair value of the equity instrument in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the consolidated statement of financial position.

DERECOGNITION OF FINANCIAL LIABILITIES

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new financial liability with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

DERECOGNITION OF FINANCIAL ASSETS

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial assets:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (i.e. the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets;
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the general approach to impairment, as applicable under AASB 9 *Financial Instruments*:

GENERAL APPROACH

Under the general approach, at each reporting period, the Group assesses whether the financial instruments are credit-impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the Group measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- there is no significant increase in credit risk since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

RECOGNITION OF EXPECTED CREDIT LOSSES

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in profit or loss.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at each reporting period.

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3 applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability; that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and are not subsequently reclassified to profit or loss. Instead, they are transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

(n) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO), it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables.

Cash flows are included in the consolidated statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO is classified within operating cash flows.

(o) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with ongoing maturities of 3 months or less, and bank overdrafts.

(p) Fair value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e., unforced) transaction between independent, knowledgeable, and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

(q) Capital management

Management controls the capital of the Group in order to maintain an appropriate debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital include ordinary share capital, and financial liabilities, supported by financial assets.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

(r) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key estimates

(i) Impairment testing for CGUs containing goodwill

Pursuant to the acquisition of Deepcore during the year ended 30 June 2020, the Group recognised goodwill of $5,755,572 with goodwill requiring to be tested for impairment on an annual basis.

Goodwill is monitored by management at the level of the lowest cash-generating-unit (CGU) being the wider Deepcore drilling business.

The recoverable amount of this CGU was based on value-in-use (VIU), estimated using discounted cash flows, requires the use of certain assumptions. The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industry and have been based on historical data from both external and internal sources.

Key assumptions utilised within the VIU model:

- Discount rate (post tax): 12.4% (2025: 12.4%)
- Terminal value growth rate: 2.5% (2025: 2.5%)
- Budgeted EBITDA growth rate (average of next five years): 2.5% (2025: 2.5%)

The cashflow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

Budgeted EBITDA was estimated taking into account past experience with respect to revenue generated, adjusted for the existing contract book, change to contract rates, drilling volume and price growth for the next five years. This, in conjunction with forecasted operating costs based on historical experience, determined the budgeted EBITDA.

Management do not consider there to be a reasonably possible change in key assumptions that cause the carrying amount to exceed the recoverable amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

(s) Standards issued but not yet effective

A number of new accounting standards are effective for annual reporting periods beginning after 1 July 2026 and earlier application is permitted. However, the Group has not early adopted the following new or amended accounting standards in preparing these consolidated financial statements:

a. IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after 1 July 2027. The new accounting standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the consolidated financial statements.
- Enhanced guidance is provided on how to group information in the consolidated financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the consolidated financial statements, including for items currently labelled as 'other'.

b. Other accounting standards

The following new and amended accounting standards are not expected to have a significant impact on the Group's consolidated financial statements:

- *Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)*; and
- *Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7).*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

2. REVENUE

	2026 $	2025 $
2(a) Revenue from continuing operations		
Revenue from contracts with customers	207,435,763	196,650,587
	207,435,763	**196,650,587**

2(b) Disaggregation of revenue from contracts with customers

The Group disaggregates revenue from contracts with customers by commodity, drilling type, client type and geography, as this appropriately depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

	2026 $	2025 $
Commodity		
Steelmaking Coal	62,016,020	77,311,659
Gold	126,913,163	92,791,415
Copper	10,138,504	7,902,381
Lead/zinc/silver	6,799,616	10,957,445
	205,867,303	**188,962,900**
Geotech	147,567	4,211,441
Decarbonisation	1,031,572	2,862,626
Other revenue	389,321	613,620
	207,435,763	**196,650,587**
Drilling type		
Surface drilling	102,850,172	98,261,794
Underground drilling	104,196,270	97,775,173
Other revenue	389,321	613,620
	207,435,763	**196,650,587**
Geography		
Queensland	69,934,032	95,643,092
New South Wales	31,519,566	33,987,190
Western Australia	5,795,390	7,198,167
Victoria	66,336,084	41,238,698
Northern Territory	18,870,947	15,328,316
Tasmania	2,350,496	-
Papua New Guinea	12,629,248	3,255,124
	207,435,763	**196,650,587**
Timing of revenue recognition		
Services transferred over time	168,014,171	160,140,089
Goods transferred at a point in time	39,421,592	36,510,498
	207,435,763	**196,650,587**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

3. CASH AND CASH EQUIVALENTS

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts (where applicable). Bank overdrafts are nil at 30 June 2026 (2025: nil). Cash and cash equivalents at the end of the year shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows.

	2026 $	2025 $
Bank balances	12,144,332	1,345,083
	12,144,332	1,345,083

4. TRADE AND OTHER RECEIVABLES

	2026 $	2025 $
Trade debtors	19,177,878	16,447,758
Accrued income	12,802,029	12,156,473
Bonds and deposits	49,480	57,864
	32,029,387	28,662,095

4(a) Credit risk and ageing of trade debtors

The class of assets described as “trade debtors” is considered to be the main source of credit risk related to the Group. The Group does not hold any collateral over these balances. The ageing of trade debtors (financial assets) is as follows:

	2026 $	2025 $
< 1 month	17,459,792	14,570,137
1 to 3 months	1,718,086	1,877,621
> 3 months	–	–
	19,177,878	16,447,758

The carrying amounts of trade and other receivables approximate fair value primarily because of their short maturities.

5. OTHER CURRENT ASSETS

	2026 $	2025 $
Current		
Prepayments	2,297,769	1,762,036
	2,297,769	1,762,036

6. INVENTORIES

	2026 $	2025 $
Spare parts and consumables	10,776,560	13,576,357
	10,776,560	13,576,357

The cost of inventories recognised as an expense during the year in respect of continuing operations was $18,875,226 (2025: $17,878,284).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

7. RIGHT-OF-USE ASSETS

The Group's property lease portfolio relates to leased premises with the date of expiry ranging from December 2026 to June 2030 (FY25: December 2026 to September 2030). In certain instances, the Group's property leases include extension options that allow the Group to extend the lease term to beyond the original termination date. These options are exercisable at the sole discretion of the Group and provide the Group with appropriate flexibility to manage leases to align with its strategies. The extension options which management were reasonably certain to be exercised have been included in the calculation of the lease liability as reflected below.

AASB 16 RELATED AMOUNTS RECOGNISED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION	2026 $	2025 $
Right-of-use assets		
Cost	5,554,246	4,208,827
Accumulated depreciation	(2,995,581)	(3,332,131)
	2,558,665	876,696

MOVEMENTS IN CARRYING AMOUNTS — YEAR ENDED 30 JUNE 2026	COST $	ACCUMULATED DEPRECIATION $	NET BOOK AMOUNT $
Opening balance	4,208,827	(3,332,131)	876,696
Renewal of property lease in Bendigo, Victoria (i)	389,024	745,313	1,134,337
Adjustments to carrying values of right-of-use assets (ii)	1,360,475	–	1,360,475
Derecognition of right-of-use asset on termination of lease during year (iii)	(404,080)	315,625	(88,455)
Depreciation expense for the year	–	(724,388)	(724,388)
Closing balance	5,554,246	(2,995,581)	2,558,665

MOVEMENTS IN CARRYING AMOUNTS — YEAR ENDED 30 JUNE 2025	COST $	ACCUMULATED DEPRECIATION $	NET BOOK AMOUNT $
Opening balance	4,180,200	(2,714,197)	1,466,003
Adjustments to carrying values of right-of-use assets (iii)	28,627	–	28,627
Depreciation expense for the year	–	(617,934)	(617,934)
Closing balance	4,208,827	(3,332,131)	876,696

(i) During the year ended 30 June 2026, the Group renewed its property lease on premises in Bendigo, Victoria for a five-year period ending on 30 June 2030. The effect of these changes was a net increase to the Group's right-of-use lease liability with a corresponding net increase to the carrying value of the right-of-use asset. With respect to the lease on the same premises which expired prior to the renewal, a separate adjustment was applied to the cost and accumulated depreciation balances brought forward from the 2025 financial year whereby a fully depreciated right-of-use asset which had both a cost and accumulated depreciation of $745,313 was derecognised in the current period. This had nil net impact on the carrying value of right-of-use assets.

(ii) During the year ended 30 June 2026, the Group adjusted its existing right-of-use asset and right-of-use lease liability with respect to its head office premises in Brisbane. This was on the basis it was considered reasonably certain the existing option to renew its lease for a further five-year period through to 31 December 2031 would be exercised.

(iii) During the year ended 30 June 2026, the Group terminated a lease on premises in Toronto, New South Wales. This resulted in the derecognition of an existing right-of-use asset and right-of-use lease liability related to those premises with a small gain on derecognition of $20,459 being taken to profit or loss.

AMOUNTS RECOGNISED IN PROFIT OR LOSS RELATING TO LEASE LIABILITIES	2026 $	2025 $
Depreciation charge related to right-of-use assets	724,388	617,934
Interest expense on lease liabilities (under finance costs)	128,268	97,784
Short term leases expense	524,142	575,151

AMOUNTS RECOGNISED IN STATEMENT OF CASH FLOWS RELATING TO LEASE LIABILITIES	2026 $	2025 $
Total cash outflows for leases including interest expense	854,097	740,094

8. PROPERTY, PLANT AND EQUIPMENT

	LEASEHOLD IMPROVEMENTS $	PLANT AND EQUIPMENT $	MOTOR VEHICLES $	FURNITURE AND FITTINGS $	CAPITAL WIP $	TOTAL $
At 1 July 2025						
Cost or fair value	774,565	183,941,172	23,754,528	1,622,800	3,072,676	213,165,741
Accumulated depreciation	(440,476)	(134,685,033)	(17,390,909)	(1,415,015)	–	(153,931,433)
Net book amount	334,089	49,256,139	6,363,619	207,785	3,072,676	59,234,308
Year ended 30 June 2026						
Opening net book amount	334,089	49,256,139	6,363,619	207,785	3,072,676	59,234,308
Additions	–	11,481,683	447,841	–	9,311,097	21,240,621
Transfers	45,723	3,281,602	120,139	23,636	(3,471,100)	–
Disposals	(66,223)	(1,443,269)	(67,357)	(4,165)	–	(1,581,014)
Depreciation	(115,451)	(18,537,806)	(1,833,637)	(59,585)	–	(20,546,479)
Impairment loss	–	(1,359,943)	–	–	–	(1,359,943)
Closing net book amount	198,138	42,678,406	5,030,605	167,671	8,912,673	56,987,493
At 30 June 2026						
Cost or fair value	751,703	194,152,990	23,610,282	1,639,743	8,912,673	229,067,391
Accumulated depreciation	(553,565)	(151,474,584)	(18,579,677)	(1,472,072)	–	(172,079,898)
Net book amount	198,138	42,678,406	5,030,605	167,671	8,912,673	56,987,493
At 1 July 2024						
Cost or fair value	685,760	170,821,984	21,341,014	1,573,574	3,960,626	198,382,958
Accumulated depreciation	(334,271)	(117,982,042)	(16,012,233)	(1,334,822)	–	(135,663,368)
Net book amount	351,489	52,839,942	5,328,781	238,752	3,960,626	62,719,590
Year ended 30 June 2025						
Opening net book amount	351,489	52,839,942	5,328,781	238,752	3,960,626	62,719,590
Additions	–	7,675,000	1,647,623	51,815	11,143,096	20,517,534
Transfers	88,805	10,726,044	1,216,197	–	(12,031,046)	–
Disposals	–	(736,447)	(24,251)	–	–	(760,698)
Depreciation	(106,205)	(21,248,400)	(1,804,731)	(82,782)	–	(23,242,118)
Closing net book amount	334,089	49,256,139	6,363,619	207,785	3,072,676	59,234,308
At 30 June 2025						
Cost or fair value	774,565	183,941,172	23,754,528	1,622,800	3,072,676	213,165,741
Accumulated depreciation	(440,476)	(134,685,033)	(17,390,909)	(1,415,015)	–	(153,931,433)
Net book amount	334,089	49,256,139	6,363,619	207,785	3,072,676	59,234,308

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Depreciation expense recognised of $21,240,621 and $23,242,118 during the years ended 30 June 2026 and 30 June 2025 respectively, excludes depreciation of $724,388 and $617,934 on right-of-use assets recognised during those corresponding years (refer Note 7).

Additions of $21,240,621 and $20,517,534 during the years ended 30 June 2026 and 30 June 2025 respectively include amounts of $4,649,862 and $542,750 which were funded by hire purchase facilities as per Note 14(a).

During the period, the Group recognised a non-cash impairment loss of $1,359,943 related to a drill rig and ancillary gear that were destroyed by a bushfire which occurred in late December at a site in Western Australia. Over and above these items of property, plant and equipment (PPE), an impairment loss was also reflected on certain consumables amounting to $59,099.

The assets destroyed were fully insured and the Group was able to recover an amount of $1,987,000 from its insurers in March 2026 on settlement of the claim (of which $1,887,000 related to the destroyed PPE with the balance being related to consumables). This amount is reflected in Other income in profit or loss.

Plant and equipment and motor vehicles comprise mainly of drilling rigs and associated vehicles and equipment. Directors and management continually monitor both domestic and overseas markets on new and used drill rig pricing and availability and as a result are of the opinion that the net written down book value of the Group's property, plant and equipment is less than its recoverable amount.

The Group has entered into a number of individual equipment hire purchase arrangements with National Australia Bank (NAB). Amounts outstanding under these arrangements as at 30 June 2026 are secured by:

a. a security interest in the specific equipment financed under each arrangement; and
b. a first ranking general security interest granted by the Company and each of its subsidiaries over all of its present and after-acquired property (whether tangible or intangible).

The general security also secures the Group's other obligations to NAB comprising the overdraft and bank guarantees as referenced in Note 14.

9. INTANGIBLE ASSETS

Intangible assets consist solely of goodwill which was recognised pursuant to the acquisition of Deepcore during the year ended 30 June 2020. Goodwill is not amortised but is tested annually for impairment and whenever indicators of impairment exist. Refer Note 1(r) for detail of the Group's assessment of the goodwill carrying value.

There has been no movement in the carrying value of goodwill since the Deepcore acquisition and the carrying amount at 30 June 2026 is $5,755,572 (30 June 2025: $5,755,572).

10. EQUITY ACCOUNTED INVESTEE

	2026 $	2025 $
Investment in equity accounted investee	530,137	100
Loans advanced to equity accounted investee	150,000	59,048
	680,137	59,148

In late FY24, the Group entered a 50/50 joint venture with specialist mining advisory firm, Talisman Partners (Talisman). The incorporated joint venture, Loop Decarbonisation Solutions Pty Ltd (Loop), was established to offer end to end decarbonisation solutions to a broad market of clients who are required to reduce fugitive emissions following reforms to the Safeguard Mechanism Legislation in Australia.

To assist in funding the initial working capital requirements of Loop, the Group advanced loans totalling $150,000 during FY25.

Given its start-up nature, Loop recognised an accounting loss of $181,904 for the year ended 30 June 2025 and pursuant to its joint control with Talisman, the Group recognised a 50 per cent share of that loss amounting to $90,952. This reduced the receivable reported at 30 June 2025 from a gross amount of $150,000 to a net amount of $59,048, with the difference being the Group's share of Loop's accounting loss.

The accounting loss recognised by Loop for year ended 30 June 2026 was $120,522.

During the year ended 30 June 2026, a subsidiary of Sumitomo Corporation (Sumitomo) completed a strategic equity investment into Loop. Pursuant to the terms of the associated subscription agreement, Sumitomo agreed to acquire, via an issue of new shares, up to 25 per cent of the ordinary share capital of Loop for a cash consideration in three tranches as follows:

- Tranche 1 — $1,500,000 for a 6.25 per cent equity interest
- Tranche 2 — $1,500,000 for a further 6.25 per cent equity interest.

The Tranche 1 and Tranche 2 payments are subject to certain conditions summarised below and, on the basis that those conditions are met, value the Loop business at approximately $24 million.

- Tranche 1 is subject to a condition subsequent whereby Loop is required to enter into a new drilling contract or extend an existing contract within 12 months of execution of the subscription agreement; and
- Tranche 2 is subject to a condition precedent whereby (post the Tranche 1 condition subsequent being met) Loop is required to enter a new drilling contract or extend an existing contract.

On 29 August 2025, with respect to the first tranche, Sumitomo invested $1,500,000 in Loop with the effect being an increase in Loop's net assets of that amount (less $66,816 in transaction costs) and a reduction in the Group's share in Loop (reducing from 50 per cent to 46.875 per cent).

The conditions subsequent under Tranche 1 were successfully completed during the year ended 30 June 2026. Upon completion of Tranche 2, Sumitomo have committed to a third tranche investment whereby it will acquire additional equity in Loop subject to the purchase price and revised valuation being agreed at the time the third tranche becomes payable. Upon completion of the third tranche, Sumitomo's ultimate shareholding will be at least 20 per cent but no more than 25 per cent.

The accounting approach taken by the Group immediately following the completion of the first tranche settlement was to ensure that the loan advanced to Loop was written back to its recoverable amount of $150,000 while also ensuring the carrying value of the investment was capped at 46.875 per cent of Loop's net assets

The Profit and Loss account contains a benefit of $620,989 representing the Group's share of the movement in Loop's net assets during the period.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

During the year ended 30 June 2026, the Group entered into an arrangement with a client whereby the consideration for drilling services rendered was settled via a subscription of fully paid ordinary shares in the client and a portion of cash. Per the shares component, the Group initially subscribed for 600,000 shares at a value of $0.50 each being a total of $300,000. The client is listed on the Australian Stock Exchange and the Group accounts for the investment in these listed equity securities at FVTPL. The fair value of the listed securities is determined by reference to quoted market prices in an active market at the reporting date and is classified as a Level 1 fair value measurement. Changes in fair value are recognised in profit or loss in the period in which they arise.

The value of the securities at 30 June 2026 was $234,000 and the Group has recognised a fair value decrement of $66,000 through profit or loss during the year ended 30 June 2026.

12. TRADE AND OTHER PAYABLES

	2026 $	2025 $
Trade creditors	12,988,717	11,424,851
Accrued expenses	8,513,528	5,702,940
GST payable	1,165,320	2,107,741
	22,667,565	19,235,532

Current trade and other payables are unsecured and usually paid within 30 to 60 days of recognition. The carrying amount of trade and other payables approximate fair value because of their short maturities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

13. INCOME TAX

	2026 $	2025 $
Income tax expense recognised in profit or loss		
Income tax expense comprises		
Current tax on profit for the year	9,377,946	2,868,380
Deferred tax expense — origination and reversal of temporary differences	(3,828,262)	(2,566,088)
Adjustments recognised in current year in relation to tax of prior years	12,492	(59,048)
Income from overseas branch not assessable for income tax	–	(35,239)
Other	(8,412)	(15,082)
Income tax expense	5,553,764	192,923
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax from continuing operations	20,762,039	729,797
Income tax expense calculated at 30%	6,228,612	218,939
Income subject to foreign contractor withholding tax not assessable for income tax	(805,497)	(35,239)
Movement in share of net assets of equity-accounted investee	(186,297)	–
Tax effect of other expenses that are not deductible in determining taxable profit	304,454	83,353
Adjustments recognised in current year in relation to tax of prior years	12,492	(59,048)
Other	–	(15,082)
Income tax expense	5,553,764	192,923

The tax rate used for 2026 and 2025 reconciliations above is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. It also includes a tax rate of 30% applied to taxable profits derived from operations in Papua New Guinea from 1 January 2026 (2025: nil). Refer Note 13(b) for further details.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

13(a) Deferred tax balances

Deferred income tax assets and liabilities are attributable to the following tax losses and temporary differences:

DEFERRED TAX ASSETS	2026 $	2025 $
Accrued expenses	519,932	324,610
Employee benefit and other provisions	4,204,426	3,708,578
Right-of-use lease liabilities	829,602	318,801
Other	24,087	56,320
Deferred tax assets on temporary differences	5,578,047	4,408,309
Deferred tax asset on tax losses	–	–
Total deferred tax assets	5,578,047	4,408,309

DEFERRED TAX LIABILITIES	2026 $	2025 $
Right of-use lease assets	(767,600)	(263,009)
Property, plant and equipment	(5,014,375)	(7,851,641)
Consumable inventories	(981,113)	(1,299,278)
Prepayments	(176,611)	(167,585)
Other	(5,683)	(22,393)
Total deferred tax liabilities	(6,945,382)	(9,603,906)
Set-off of deferred tax assets pursuant to set-off provisions	5,578,047	4,408,309
Net deferred tax liabilities	(1,367,335)	(5,195,597)

Movements in deferred tax assets on temporary differences and tax losses are as follows:

TEMPORARY DIFFERENCES	ACCRUED EXPENSES	PROVISIONS	RIGHT-OF-USE LEASE LIABILITY	OTHER	TOTAL
Balance at 30 June 2024	375,087	3,998,603	511,493	116,216	5,001,399
Credited to current tax	–	–	–	5,557	5,557
Charged to profit or loss	(50,477)	(290,025)	(201,281)	(65,453)	(607,236)
Increase in carrying value of lease liability	–	–	8,589	–	8,589
Balance at 30 June 2025	324,610	3,708,578	318,801	56,320	4,408,309
Credited/(charged) to current tax	(5,471)	–	(10,281)	4,836	(10,916)
Credited/(charged) to profit or loss	200,793	495,848	(200,825)	(37,069)	458,747
Increase in carrying value of lease liability	–	–	721,907	-	721,907
Balance at 30 June 2026	519,932	4,204,426	829,602	24,087	5,578,047

TAX LOSSES	OPENING BALANCE $	RELATED TO PRIOR YEARS $	UTILISED DURING YEAR $	CLOSING BALANCE $
30 June 2026	–	–	–	–
30 June 2025	362,008	(61,067)	(300,941)	–

As at 30 June 2026, the Group has recognised deferred tax assets of nil (2025: nil) with no available tax losses currently existing.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

Movements in deferred tax liabilities are as follows:

TEMPORARY DIFFERENCES	CUSTOMER CONTRACTS $	PROPERTY, PLANT, AND EQUIPMENT $	CONSUMABLE INVENTORIES $	RIGHT-OF-USE LEASE ASSETS $	PREPAYMENTS $	OTHER $	TOTAL $
Balance at 30 June 2024	–	(11,328,698)	(964,633)	(439,801)	(170,582)	(14,724)	(12,918,438)
Credited to current tax	–	114,558	–	–	–	–	114,558
Credited/(charged) to profit or loss	–	3,362,499	(334,645)	185,381	2,997	(7,669)	3,208,563
Increase in carrying value of right-of-use lease asset	–	–	–	(8,589)	–	–	(8,589)
Balance at 30 June 2025	–	(7,851,641)	(1,299,278)	(263,009)	(167,585)	(22,393)	(9,603,906)
Credited to current tax	–	2,504	–	–	–	–	2,504
Credited/(charged) to profit or loss	–	2,834,762	318,165	217,316	(9,026)	16,710	3,377,927
Increase in carrying value of right-of-use lease asset	–	–	–	(721,907)	–	–	(721,907)
Balance at 30 June 2026	–	(5,014,375)	(981,113)	(767,600)	(176,611)	(5,683)	(6,945,382)

13(b) Income tax payable

	2026 $	2025 $
Income tax payable	5,157,264	2,552,357

The Group has recognised an income tax liability of $5,157,264 at 30 June 2026 based on its estimated taxable income for the year ended 30 June 2026.

Taxable income is a combination of (a) taxable income derived by the Australian tax consolidated Group during the year ended 30 June 2026, reduced by current year PAYG income tax instalments of $4,220,680; and (b) taxable income derived from operations in Papua New Guinea between 1 January 2026 and 30 June 2026. Prior to 1 January 2026, income generated from operations in Papua New Guinea was subject to foreign contractor withholding tax and was not assessable for income tax.

13(c) Unrecognised amounts

	2026 $	2025 $
Franking account balance	7,256,847	2,647,172

The increase in franking account balance during the year ended 30 June 2026 is mainly represented by (i) PAYG income tax instalments of $4,220,680 made towards an income tax liability for the year ended 30 June 2026; (ii) the Group's income tax liability of $4,027,995 as it relates to the Australian tax consolidated group; offset by (iii) franking credits of $3,633,641 utilised per a fully franked dividend of $8,478,496 paid to shareholders in March 2026.

14. OTHER FINANCIAL LIABILITIES

	2026 $	2025 $
Current		
Equipment hire purchase facilities[i]	5,820,216	5,024,324
Lease liability[ii]	628,162	553,653
	6,448,378	5,577,977
Non-current		
Equipment hire purchase facilities[i]	2,837,823	4,680,718
Lease liability[ii]	2,137,176	509,016
	4,974,999	5,189,734

(i) The Group finances certain items of equipment under hire purchase agreements with an average remaining term of 1.3 years (2025: 1.6 years) with these obligations secured by the lessor's title to goods under the contract. During the year ended 30 June 2026, new facilities pertained to the acquisition of new equipment, the refinancing of certain facilities where balloon payments were falling due on expiry of the agreement and financing of rig rebuilds conducted internally.

The Group's exposure to interest rate risk has been mitigated in that each individual agreement, within the wider facility, has interest rates fixed for the duration of the finance period. This is with the exception of one facility entered into in June 2026 which is on a floating rate basis linked to BBSY.

Effective interest rates payable under finance leases are between 6.19% and 7.75% (2025: 6.19% and 7.55%). The fair value of the finance lease liabilities is approximately equal to their carrying amount.

(ii) Lease liability relating to the recognition of right-of-use assets as discussed in Note 7. The fair value of lease liabilities are approximately equal to their carrying amount.

14(a) Reconciliation of movement in other financial liabilities

YEAR ENDED 30 JUNE 2026	AT 1 JULY 2025 $	CASH PROCEEDS $	NON-CASH FUNDING RECEIVED* $	RIGHT-OF-USE LEASE LIABILITY ADJUSTMENT $	CASH REPAYMENTS $	AT 30 JUNE 2026 $
Equipment Hire Purchase Facilities	9,705,042	2,256,259	2,393,603	–	(5,696,865)	8,658,039
Lease liability	1,062,669	–	–	2,406,357	(703,688)	2,765,338
Total	10,767,711	2,256,259	2,393,603	2,406,357	(6,400,553)	11,423,377

YEAR ENDED 30 JUNE 2025	AT 1 JULY 2024 $	CASH PROCEEDS $	NON-CASH FUNDING RECEIVED* $	RIGHT-OF-USE LEASE LIABILITY ADJUSTMENT $	CASH REPAYMENTS $	AT 30 JUNE 2025 $
Equipment Hire Purchase Facilities	17,958,501	–	542,750	–	(8,796,209)	9,705,042
Lease liability	1,704,978	–	–	28,627	(670,936)	1,062,669
Total	19,663,479	–	542,750	28,627	(9,467,145)	10,767,711

* During the 2026 financial year, the Group acquired property, plant and equipment valued at $2,393,603 (2025: $542,750) which was funded directly through its hire purchase facility with National Australia Bank. These non-cash acquisitions are not reflected in the Statement of Cash Flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

14(b) Equipment hire purchase facilities

	2026 $	2025 $
Minimum future hire purchase facility payments		
Not later than 1 year	6,184,821	5,541,674
Later than 1 year and not later than 5 years	3,105,231	4,888,000
Minimum future lease payments	9,290,052	10,429,674
Less future finance charges	(632,013)	(724,632)
	8,658,039	9,705,042

14(c) Lease liabilities

	2026 $	2025 $
Minimum future lease liability payments		
Not later than 1 year	789,718	609,682
Later than 1 year and not later than 5 years	2,230,438	527,657
Later than 5 years	193,058	–
Minimum future lease payments	3,213,214	1,137,339
Less future finance charges	(447,876)	(74,670)
	2,765,338	1,062,669

14(d) Credit standby arrangements with banks

	TOTAL $	USED $	UNUSED $
NAB business overdraft facility	15,000,000	–	15,000,000
NAB hire purchase facility	30,000,000	8,217,281	21,782,719

14(e) Bank guarantees

In certain instances, the group is required to provide security (in the form of bank guarantees) to lessors pursuant to the terms of the Group's property leases. In order to meet these security obligations, the Group has access to a $100,000 bank guarantee facility with National Australia Bank. As at 30 June 2026, bank guarantees totalling $60,466 were provided to lessors under this facility.

Refer Note 8 for details on security pledged to NAB on the business overdraft facility, equipment hire purchase facilities and bank guarantees.

15. PROVISIONS

	2026 $	2025 $
Current		
Employee benefit provisions	13,324,797	11,266,406
	13,324,797	11,266,406
Non-current		
Employee benefit provisions	1,195,497	1,218,143
	1,195,497	1,218,143

16. ISSUED CAPITAL

The table below reconciles movement in the number of shares and payments for shares bought back during the years ended 30 June 2025 and 30 June 2026 respectively.

FULLY PAID ORDINARY SHARES	NO OF SHARES	GROSS OF SHARE ISSUE COSTS $	SHARE ISSUE COSTS $	ISSUED CAPITAL $
Balance at 30 June 2024	213,923,502	78,804,488	(3,251,109)	75,553,379
Shares issued pursuant to Executive Share and option plan	475,249	–	–	–
Shares bought back on-market and cancelled, including transaction costs	(2,436,343)	(852,249)	–	(852,249)
Balance at 30 June 2025	211,962,408	77,952,239	(3,251,109)	74,701,130
Shares issued pursuant to Executive Share and option plan	488,122	–	–	–
Balance at 30 June 2026	212,450,530	77,952,239	(3,251,109)	74,701,130

(i) On-market share buy back

On 14 July 2022, the Group commenced a 12 month on-market share buy-back on the following key terms:

- The price paid for shares purchased under the buy-back will be no more than 5% above the volume weighted average price of the Company's shares over the five days of trading prior to the purchase; and
- The number of shares purchased under the buy-back will not exceed 10% of the Company's fully paid ordinary shares.

The buy-back, initially expected to run till at least 30 June 2023, was subsequently extended on multiple occasions.

No shares were bought back during FY26 (FY25: 2.4m shares bought back for a combined consideration of $0.9m, net of transaction costs).

As at 30 June 2026 (and since the inception of the buyback in July 2022), the Group has purchased back 14.9m shares at a combined cost of $5.5m ($0.373 per share) net of transaction costs.

17. SHARE BASED PAYMENT TRANSACTIONS

	2026 $	2025 $
Equity-settled share-based payment transactions		
Executive share and option plan	562,752	(3,245)
Total expense/(benefit) recognised for equity-settled share-based payment	562,752	(3,245)

Executive share and option plan

Mitchell Services Limited operates an Executive Share and Option Plan (ESOP) for executives and senior employees of the Group. In accordance with the provisions of the plan, as approved by shareholders at a previous annual general meeting, the Board may designate a Director or employee of the Company as an eligible participant of the ESOP (Eligible Participant). The Board may offer rights, options or shares to an Eligible Participant under the ESOP. A participant is not required to pay for the grant of any rights or options or for the issue of shares.

The objectives of the ESOP are to:

- Attract and retain a high standard of managerial and technical personnel for the benefit of the Group
- Establish a method by which Eligible Participants can participate in future growth and profitability of the Group
- Provide an incentive and reward for Eligible Participants for their contributions to the Group.

Equity instruments offered under the ESOP are subject to satisfaction of certain vesting conditions as outlined in the Remuneration Report.

The Group accounts for instruments that are still in their vesting period issued under the ESOP by recognising the fair value of the relevant equity instruments as an expense over the vesting period.

The fair value of the equity instruments is calculated at each reporting period and vesting conditions are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods or services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

(i) Measurement of fair values — Employee Option Plan

Set out below are summaries of options granted under ESOP:

	YEAR ENDED 30 JUNE 2026		YEAR ENDED 30 JUNE 2025	
	AVERAGE EXERCISE PRICE PER SHARE OPTION	NUMBER OF OPTIONS	AVERAGE EXERCISE PRICE PER SHARE OPTION	NUMBER OF OPTIONS
As at 1 July	0.622	9,105,645	0.641	10,124,319
Offered during the year	0.640	1,667,930	0.340	1,624,973
Exercised during the year	–	–	–	–
Forfeited during the year	0.54	(894,650)	0.518	(2,643,647)
As at 30 June	**0.633**	**9,878,925**	**0.622**	**9,105,645**
Vested and exercisable at 30 June	0.703	6,586,022	0.713	6,084,874

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	OPTIONS AT 30 JUNE 2026	OPTIONS AT 30 JUNE 2025
4 August 2017	29 June 2026	0.539	–	841,360
14 June 2018	14 June 2027	0.703	811,312	811,312
14 June 2019	14 June 2028	1.100	617,489	617,489
1 June 2020	1 June 2029	0.910	681,652	681,652
31 May 2021	31 May 2030	0.690	881,160	881,160
23 June 2022	23 June 2031	0.630	1,261,668	1,261,668
31 May 2023	31 May 2032	0.620	990,233	990,233
20 June 2024	20 June 2033	0.555	1,342,508	1,395,798
20 June 2025	20 June 2034	0.340	1,624,973	1,624,973
19 June 2026	19 June 2035	0.640	1,667,930	–
Total			**9,878,925**	**9,105,645**
Weighted average remaining contractual life of options outstanding at end of year			5.76 years	5.66 years

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For the year ended 30 June 2026

Fair value of shares and options not yet vested at 30 June 2026

Options

The calculated fair value at 30 June 2026 of the options provisionally offered during the years ended 30 June 2025 and 30 June 2026 was $343,113 and $256,277 respectively and has been determined using the Black-Scholes option pricing model. Due to the deferral of the grant date until the number of options that are vested are determined, the grant date fair value has been provisionally estimated at the year-end date. Expected volatility is estimated by considering historical volatility of comparable company share prices. The inputs in the measurement of the fair value at 30 June 2026 of the equity-settled share-based payment plans offered during the years ended 30 June 2025 and 30 June 2026 were as follows:

	PROVISIONALLY OFFERED[1] DURING YEAR ENDED 30 JUNE 2025	PROVISIONALLY OFFERED[1] DURING YEAR ENDED 30 JUNE 2026
Share price (at 30 June 2026)	$0.485	$0.485
Exercise price	$0.340	$0.640
Expected volatility	53%	53%
Time to maturity	3.5 years	3.5 years
Risk-free interest rate	4.37%	4.37%
Dividend yield	4.37%	4.37%
Fair value per option	$0.2112	$0.1537
Number of options	1,624,973	1,667,930
Total fair value of options	$343,113	$256,277

1 The options have been provisionally offered. These will only be granted post vesting and as such, the grant date is deferred until such time.

Relating to the above, expenses of $158,647 (2025 offer) and $3,171 (2026 offer) have been recognised on a life to date basis (offer date through to 30 June 2026) based on a straight-line amortisation of the fair value over the two-year vesting period. Further, a weighted probability adjustment of 90 per cent has been applied based on the estimated vesting percentage.

Shares

The calculated fair value of the shares offered during the years ended 30 June 2025 and 30 June 2026 under the ESOP was $236,739 and $243,000 respectively at 30 June 2026 and has been determined with reference to the closing price of the Company's fully paid ordinary shares at the end of the financial year.

Relating to the above, expenses of $109,462 (2025 offer) and $3,007 (2026 offer) have been recognised on a life to date basis (offer date through to 30 June 2026) based on a straight-line amortisation of the fair value over the two-year vesting period. Further, a weighted probability adjustment of 90 per cent has been applied based on the estimated vesting percentage.

Fair value of shares and options vested during year ended 30 June 2026

Options

The calculated fair value of the options that vested under the ESOP during the year ended 30 June 2026 (which were offered under the ESOP in 2024) was $169,693 as at the vesting date of 19 June 2026 and has been determined using the Black-Scholes option pricing model. Expected volatility is estimated by considering historical volatility of comparable company share prices.

The inputs in the measurement of the fair value at vesting date of the options were as follows:

Share price	$0.450
Exercise price	$0.555
Expected volatility	53%
Time to maturity	3.5 years
Risk-free interest rate	4.46%
Dividend yield	4.62%
Fair value per option	$0.1264
Number of options	1,342,508
Total fair value of options	**$169,693**

Shares

The calculated fair value of the shares that vested under the ESOP during the year ended 30 June 2026 (which were offered under the ESOP in 2024) was $181,473 as at the vesting date of 19 June 2026 and has been determined with reference to the closing price of the Company's fully paid ordinary shares.

18. RECONCILIATION OF PROFIT FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2026 $	2025 $
Profit for the year	15,208,275	536,874
Adjustments for:		
Depreciation and amortisation	21,270,867	23,860,052
Net gain on disposal of property, plant and equipment	(3,304,492)	(1,347,364)
Change in trade and other receivables	(3,367,292)	935,880
Change in other assets	(535,733)	290,676
Change in inventories	2,799,797	(3,795,696)
Change in financial assets at FVTPL	(234,000)	–
Change in trade payables and accruals	3,432,032	(1,994,778)
Change in employee benefit provisions	2,035,745	(844,128)
Changes in deferred tax balances	(3,828,262)	(2,359,434)
Changes in income tax payable	2,604,907	2,552,357
Recognition of share-based payments	562,752	(3,245)
Share of net assets of equity-accounted investee	(620,989)	90,952
Impairment loss — property, plant and equipment	1,359,943	–
Net cash inflow from operating activities	37,383,550	17,922,146

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

19. GROUP STRUCTURE

The ultimate parent entity within the group is Mitchell Services Ltd (the Company). The consolidated financial statements incorporate the assets, liabilities and results of the Company and the following controlled entities, that were held in both current and prior year unless otherwise stated. All entities in the table below form part of the tax consolidated group as disclosed in Note 1(i).

		OWNERSHIP INTEREST HELD BY THE GROUP	
ENTITY NAME	ACN	2026	2025
Notch Holdings Pty Ltd	009 271 461	100%	100%
Well Drilled Pty Ltd (i)	123 980 343	100%	100%
Mitchell Operations Pty Ltd (i)	165 456 066	100%	100%
Notch No. 2 Pty Ltd	606 170 138	100%	100%
Mitchell Services Share Plan Pty Ltd	610 901 221	100%	100%
Radco Technologies Pty Ltd (i)	137 688 227	100%	100%
Radco Group Australia Pty Ltd	137 688 745	100%	100%
Deepcore Holdings Pty Ltd (i)	155 701 885	100%	100%
Deepcore Australia Pty Ltd (i)	115 967 809	100%	100%
Deepcore Drilling Pty Ltd (i)	115 935 941	100%	100%
Capture Holdings Pty Ltd	676 079 628	100%	100%

As discussed in Notes 1(c) and Note 10, the Group also entered into a joint venture during the 2024 financial year with a 50 per cent ownership interest in Loop Decarbonisation Solutions Pty Ltd, as reflected in the table below.

Interest in joint venture operations

			OWNERSHIP INTEREST HELD BY THE GROUP	
ENTITY NAME	NATURE OF RELATIONSHIP	ACN	2026	2025
Loop Decarbonisation Solutions Pty Ltd	Joint operation	676 109 630	46.875%	50.00%

(i) A deed of cross guarantee was enacted between the Company and these entities during the year ended 30 June 2020. Under the deed, each company guarantees to support the liabilities and obligations of the others and, by entering into the deed, relief was obtained from preparing financial statements for each entity under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785. These entities, being parties to the deed of cross guarantee represent a Closed Group for the purposes of the ASIC Class Order. The consolidated income statement and balance sheet of all entities in the Closed Group are set out below.

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For the year ended 30 June 2026

CLOSED GROUP — INCOME STATEMENT	2026 $	2025 $
Revenue	195,141,187	193,586,765
Other income	16,667	–
Gain on sale of assets	39,184	128,813
Drilling consumables	(17,267,767)	(16,623,009)
Employee and contract labour expenses	(99,854,604)	(103,162,748)
Fuel and oil	(2,941,345)	(2,644,100)
Freight and couriers	(2,283,694)	(2,822,198)
Hire of plant and equipment	(9,907,821)	(12,323,544)
Insurances	(1,251,115)	(1,250,829)
Legal and consultant fees	(1,554,999)	(908,851)
Rent	(524,142)	(575,151)
Service and repairs	(11,687,616)	(13,111,857)
Travel expenses	(7,095,379)	(8,254,979)
Movement in financial assets at FVTPL	(66,000)	–
Depreciation expense	(9,228,761)	(11,532,863)
Impairment loss	(59,100)	–
Finance costs	(321,782)	(393,394)
Other expenses	(6,765,928)	(7,437,810)
Profit before tax	**24,386,985**	**12,674,245**
Income tax expense	(7,639,846)	(3,822,835)
Profit for the year	**16,747,139**	**8,851,410**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

CLOSED GROUP — BALANCE SHEET	2026 $	2025 $
CURRENT ASSETS		
Cash and cash equivalents	12,130,162	1,336,230
Trade and other receivables	29,272,166	27,457,697
Other assets	2,360,919	1,749,601
Inventories	9,883,180	12,350,635
Other financial assets	82,576,047	80,387,052
Total current assets	136,222,474	123,281,215
NON-CURRENT ASSETS		
Investments in controlled entities	15,478,503	15,478,503
Right-of-use assets	2,558,665	876,696
Property, plant and equipment	14,988,587	13,166,720
Intangibles at cost	5,755,572	5,755,572
Financial assets at FVTPL	234,000	–
Deferred tax assets	3,402,122	1,912,091
Total non-current assets	42,417,449	37,189,582
TOTAL ASSETS	178,639,923	160,470,797
CURRENT LIABILITIES		
Trade and other payables	20,833,687	18,554,255
Income tax payable	4,027,995	2,552,357
Other financial liabilities	6,681,053	5,400,007
Provisions	12,848,737	11,143,784
Total current liabilities	44,391,472	37,650,403
NON-CURRENT LIABILITIES		
Other financial liabilities	3,128,324	509,016
Provisions	1,195,497	1,218,143
Total non-current liabilities	4,323,821	1,727,159
TOTAL LIABILITIES	48,715,293	39,377,562
NET ASSETS	129,924,630	121,093,235
EQUITY		
Issued capital	74,701,130	74,701,130
Retained earnings	55,223,500	46,392,105
Total equity	129,924,630	121,093,235

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Parent entity

Summarised financial information for the parent entity is as follows:

	2026 $	2025 $
Loss for the year	(6,459,032)	(5,531,973)
Other comprehensive income	–	–
Total comprehensive income for the year	(6,459,032)	(5,531,973)
Current assets	12,089,948	1,299,847
Total assets	63,715,305	52,619,628
Current liabilities	54,525,059	29,108,273
Total liabilities	54,642,901	29,172,448
Total equity of the parent entity comprising of:		
Issued capital	74,701,130	74,701,130
Retained earnings	(65,628,726)	(51,253,950)
Total equity	9,072,404	23,447,180

Parent entity contingent liabilities

There are no contingent liabilities required to be disclosed as at 30 June 2026 (2025: nil).

Parent entity capital commitments

There are no capital commitments as at 30 June 2026 (2025: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

20. FINANCIAL RISK MANAGEMENT

The Group's financial instruments mainly consist of deposits with banks, trade receivables and payables and borrowings and leases. The Board of Directors are responsible for monitoring and managing the financial risks. They monitor these risks through regular meetings with the Group's management. The Group does not enter into derivative financial instruments and does not speculate in any type of financial instrument.

Specific financial risk exposures and management thereof

The main risks the Group is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk. There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous reporting period.

20(a) Interest rate risk

The Group's exposure to interest rate risk is limited to a short-term variable-rate borrowing entered into shortly before year end and maturing within three months of the reporting date. A reasonably possible change in interest rates would not have a material impact on the Group's financial position or results.

20(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages this risk through the following mechanisms:

- ensuring that there is access to adequate capital;
- preparing forward looking cash flow analyses in relation to its operational, investing and financial activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing surplus cash only with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects the gross, undiscounted contractual maturity analysis for financial liabilities.

		CONTRACTUAL CASH FLOWS					
2026	CARRYING AMOUNT $	WITHIN 1 YEAR $	1-2 YEARS $	2-3 YEARS $	3-5 YEARS $	MORE THAN 5 YEARS $	TOTAL $
Trade and other payables	22,667,565	22,667,565	–	–	–	–	22,667,565
Equipment hire purchase facilities	8,658,039	6,184,821	1,184,255	1,657,712	263,264	–	9,290,052
Lease liability	2,765,338	789,718	638,780	602,703	988,955	193,058	3,213,214
	34,090,942	29,642,104	1,823,035	2,260,415	1,252,219	193,058	35,170,831

		CONTRACTUAL CASH FLOWS					
2025	CARRYING AMOUNT $	WITHIN 1 YEAR $	1-2 YEARS $	2-3 YEARS $	3-5 YEARS $	MORE THAN 5 YEARS $	TOTAL $
Trade and other payables	19,235,532	19,235,532	–	–	–	–	19,235,532
Equipment hire purchase facilities	9,705,042	5,541,674	4,423,858	100,439	363,703	–	10,429,674
Lease liability	1,062,669	609,682	470,609	57,048	–	–	1,137,339
	30,003,243	25,386,888	4,894,467	157,487	363,703	–	30,802,545

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

20(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade and other receivables from customers. The Group has adopted a policy of only dealing with creditworthy counterparties and uses publicly available financial information and its own trading records to rate its customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored to mitigate financial loss. The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the Consolidated Statement of Financial Position.

Details with respect to credit risk of trade and other receivables is provided in Note 4(a).

All trade and other receivables (whether due or past due) are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 4(a).

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

20(d) Market risk

The Group is exposed to equity price risk arising from financial assets measured at FVTPL discussed in Note 11. A movement of 10% in the market price would increase/decrease profit before tax by approximately $23,400.

20(e) Fair Value Measurement

Refer Notes 4, 12 and 14 which state the carrying amounts of trade and other receivables, trade and other payables and borrowings approximate their fair value.

The Group's investment in listed equity securities (refer Note 11) is measured at fair value and classified within Level 1 of the fair value hierarchy. The fair value is based on quoted market prices in an active market at the reporting date. There were no transfers between fair value hierarchy levels during the year.

21. RELATED PARTY TRANSACTIONS

21(a) Related parties

The Group's main related parties are as follows:

(i) Entities exercising control over the Group

Note 19 details all subsidiary companies within the Group. Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

(ii) Key management personnel (KMP)

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity are considered KMP. Refer Note 22 for disclosures relating to KMP.

(iii) Other related parties

Other related parties include entities over which KMP have control or joint control.

21(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following transactions occurred with related parties during the year:

Manutech Engineering and Maintenance

The Group engages Manutech Engineering and Maintenance to purchase parts and in some instances perform repair and maintenance type services. Manutech Engineering and Maintenance is an entity controlled by Peter Miller. The amount incurred during the reporting period in relation to these services was $12,413 including GST. An amount of $4,037 remains owing to this related entity at the end of the year.

Equipment Hub Pty Ltd

Nathan Mitchell is a significant shareholder of Equipment Hub Pty Ltd (Equipment Hub). The Group purchased minor parts from this entity during the period, amounting to $17,182 including GST. Nil amounts remain owing to this related entity at the end of the year.

The Group also engaged Equipment Hub as a broker to sell a drill rig to a third party. Commissions totalling $85,250 inclusive of GST, were paid to Equipment Hub per this arrangement. Nil amount remains receivable from the related entity at the end of the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

Integrated Supply Group Pty Ltd

Integrated Supply Group Pty Ltd (Integrated) is an entity controlled by Scott Tumbridge and operates as a supplier to the Group in the ordinary course of business. Integrated supplied parts, consumables and hire equipment with amounts charged totalling $3,479,765 inclusive of GST. An amount of $655,849 remains owing to Integrated at the end of the year.

Mitchell Family Investments (QLD) Pty Ltd

Mitchell Family Investments (QLD) Pty Ltd is an entity controlled by Nathan Mitchell. The Group leases the majority of the premises located at 112 Bluestone Circuit, Seventeen Mile Rocks Brisbane, which is owned by Mitchell Family Investments (QLD) Pty Ltd. The rent associated with this property for the reporting period amounted to $358,989, with associated utilities charges of $63,601. Amounts owing to this related entity at the end of the year is $62,677.

Mitchell Group Pty Ltd

Mitchell Group Pty Ltd is an entity controlled by Nathan Mitchell. The Group and this related entity currently operate under an arrangement whereby the services of an in-house legal counsel are shared between the two entities. Net of minor outgoings recovered by the Group, invoices in relation to this shared resource totalling $147,772, inclusive of GST, were issued to the Group by the related entity during the period, with an amount of $12,672 remaining owing at the end of the year.

As referred above, the Group leases premises at 112 Bluestone Circuit (Head Office) from Mitchell Family Investments (QLD) Pty Ltd. By agreement, the Group sublets an area of the Head Office to Mitchell Group Pty Ltd through to 31 December 2026 with an extension option. During the current year, the Group charged Mitchell Group Pty Ltd rent and outgoings totalling $39,752 and $29,084 respectively, both inclusive of GST, with an amount of $1,239 remaining receivable by the Group at the end of the year.

The above related party transactions were based on normal market rates and under normal payment terms.

22. KEY MANAGEMENT PERSONNEL

Key management personnel compensation comprised the following:

	2026 $	2025 $
Short-term employee benefits	1,601,270	1,760,000
Post-employment benefits	171,092	157,550
Non-monetary benefits	36,749	36,749
Other long-term benefits	27,077	16,350
Share-based payments	263,923	880
	2,100,111	1,971,529

Compensation of the Group's key management personnel includes salaries and non-cash benefits, and certain key management personnel also participate in the Group's Executive share and option plan (refer Note 17).

23. AUDITORS REMUNERATION

During the year, the following fees were paid or payable for services provided by the auditor or its related practices:

	2026 $	2025 $
Audit and review of financial statements	189,425	205,464
	189,425	205,464

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

24. CAPITAL COMMITMENTS

As at the reporting date, the Group has capital commitments of $8,642,406 not recognised as liabilities (2025: $1,496,033). This amount includes $5,339,858 for the renewal of the rig fleet and $1,300,442 for the expansion of the rig fleet with the balance relating to ancillary equipment and motor vehicles. These commitments are expected to be settled within the next 12 months, and the Group expects to fund the expenditure through a combination of existing cash reserves and available financing facilities.

Management considers these investments critical to supporting future operational requirements, maintaining fleet capability and positioning the Group to meet anticipated customer demand.

25. EARNINGS PER SHARE

	2026 $	2025 $
Basic earnings per share		
From continuing operations (cents per share)	7.2	0.3
Diluted earnings per share		
From continuing operations (cents per share)	7.2	0.3

Basic earnings per share is calculated using earnings and weighted average number of ordinary shares as follows:

Profit for the year attributable to owners	15,208,275	536,874
Weighted average number of ordinary shares	211,963,745	212,639,931

Diluted earnings per share is calculated using earnings and weighted average number of ordinary shares as follows:

Profit for the year attributable to owners	15,208,275	536,874
Weighted average number of ordinary shares	211,963,745	212,639,931

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

26. SUPERANNUATION CONTRIBUTIONS

The Group contributes superannuation on behalf of qualifying employees to superannuation funds. The Group is required to make specified contributions in accordance with contractual employment and statutory obligations. The total expense recognised in the consolidated statement of profit or loss and other comprehensive income of $9,092,498 (2025: $9,482,550) represents the contributions payable by the Group to these plans in accordance with contractual employment and statutory obligations. As at 30 June 2026, contributions of $745,332 due in respect of the 2026 financial year (2025: $713,030) had not been paid over to the plans. These amounts were paid subsequent to the end of the financial year.

27. OPERATING SEGMENTS

27(a) The Group operates primarily within Australia, providing services wholly to a discrete industry segment (provision of drilling services to the mining industry). These geographic and operating segments are considered based on internal management reporting and the allocation of resources by the Group's chief decision makers (Board of Directors).

On this basis, the financial results of the reportable operating and geographic segments are equivalent to the financial statements of the Group as a whole and no separate segment reporting is disclosed in these consolidated financial statements.

27(b) The Group generates revenue from external customers who individually account for greater than 10% of the Group's total revenue. The below table sets out the applicable revenue percentage generated from each of these customers.

	2026 %	2025 %
External Customer 1	23%	17%
External Customer 2	11%	9%
External Customer 3	10%	12%
External Customer 4	6%	13%

28. EVENTS AFTER THE REPORTING DATE

Dividends

On 21 August 2026, the Board declared a fully franked dividend of 2.00 cents per share to holders of fully paid ordinary shares on 1 September 2026 (Record Date). The payment for the dividend is 17 September 2026, and the total estimated dividend is $4,249,011.

Other than the matter noted above, there have not been any matters or circumstances occurring subsequent to the end of the reporting period that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in the future.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

For the year ended 30 June 2026

ENTITY NAME	BODY CORPORATE, PARTNERSHIP OR TRUST	PLACE INCORPORATED/ FORMED	% OF SHARE CAPITAL HELD DIRECTLY OR INDIRECTLY BY THE COMPANY IN THE BODY CORPORATE	AUSTRALIAN OR FOREIGN TAX RESIDENT	JURISDICTION FOR FOREIGN TAX RESIDENT
Mitchell Services Ltd (the Company)	Body corporate	Australia	–	Australian	N/A
Notch Holdings Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Well Drilled Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Mitchell Operations Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Notch No. 2 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Mitchell Services Share Plan Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Radco Technologies Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Radco Group Australia Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Deepcore Holdings Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Deepcore Australia Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Deepcore Drilling Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Capture Holdings Pty Ltd	Body corporate	Australia	100%	Australian	N/A

DETERMINATION OF TAX RESIDENCY

Section 295 (3A) of the *Corporations Act 2001* requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. For the purposes of this section, an entity is an Australian resident at the end of a financial year if the entity is:

a. an Australian resident (within the meaning of the *Income Tax Assessment Act* 1997) at that time; or
b. a partnership, with at least one partner being an Australian resident (within the meaning of the *Income Tax Assessment Act* 1997) at that time; or
c. a resident trust estate (within the meaning of Division 6 of Part III of the *Income Tax Assessment Act* 1936) in relation to the year of income (within the meaning of that Act) that corresponds to the financial year.

The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in *Tax Ruling TR2018/5*.

DIRECTORS' DECLARATION

For the year ended 30 June 2026

1. In the opinion of the directors of Mitchell Services Limited ("the Company"):

a. the consolidated financial statements and notes, as set out on pages 35 to 74 and the Remuneration report on pages 17 to 26 in the Directors' report, are in accordance with the *Corporations Act 2001,* including:

i. giving a true and fair view of the Group's financial position as at 30 June 2026 and of its performance, for the financial year ended on that date; and

ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the Consolidated Entity Disclosure statement as at 30 June 2026 set out on page 75 is true and correct; and

c. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. There are reasonable grounds to believe that the Company and the group entities identified in Note 19 will be able to meet any obligations and liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to *ASIC Corporations (Wholly owned Companies) Instrument 2016/785*.

3. The directors have been given the declarations required by s295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2026.

4. The directors draw attention to Note 1 to the consolidated financial statements which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

Nathan Andrew Mitchell
Executive Chairman

Dated at Brisbane this 21st day of August 2026

Independent Auditor's Report

To the shareholders of Mitchell Services Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Mitchell Services Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group***'s financial position as at 30 June 2026 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001,* in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2026;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2026;
- Notes, including material accounting policies; and
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards.* We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

KPMG

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Revenue recognition ($207,435,763)	
Refer to Note 2 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**

Revenue from contracts with customers is a key audit matter due to the:
• size of the balance;
• high volume of service contract revenue transactions, with varying rates charged under each contract; and
• the risk that revenue transactions recorded near year-end may be recorded in the incorrect accounting period.
 	
We involved senior audit team members who understand the Group's business, industry and economic environment it operates in.
	Our procedures included:
	• Obtaining an understanding of the manual interface between the drilling report system and the general ledger;
	• Evaluating the Group's accounting policies for revenue recognition against the requirements of AASB 15 and our understanding of the business;
	• Utilising advanced analytical and statistical analysis to assess the gross revenue transactions and identify transactions with specific characteristics to focus our further testing on. We tested a sample of these transactions to underlying documentation. This included assessing:
	  • The existence of an underlying arrangement with the customer against signed customer contracts;
	  • Amounts invoiced to customers from the general ledger against customer acknowledged daily drilling reports and rates per the customer acknowledged invoice against the respective contract;
	  • The timing and completion of performance obligations against customer acknowledged daily drilling reports, customer acknowledged invoices and the Group's revenue recognition policies;

KPMG

	• Testing a sample of revenue transactions recognised by the Group either side of year-end. We checked these to customer acknowledged invoices and customer acknowledged daily drilling reports to assess the timing of revenue recognition; and • Evaluating the Group's disclosures in the financial report, using our understanding obtained from our testing, against the requirements of the accounting standard.

Other Information

Other Information is financial and non-financial information in Mitchell Services Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error; and
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Mitchell Services Limited for the year ended 30 June 2026 complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 17 to 26 of the Directors' report for the year ended 30 June 2026.

Our responsibility is to express an opinion as to whether the Remuneration Report complies in all material respects with *Section 300A* of the *Corporations Act 2001*, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

M J Jeffery
Partner

Brisbane
21 August 2026

ADDITIONAL AUSTRALIAN STOCK EXCHANGE INFORMATION

The following information is current as at 13 August 2026

MSV QUOTED ORDINARY SHARES

SPREAD OF HOLDINGS	NUMBER OF HOLDERS	SHARES	% OF TOTAL CAPITAL ISSUED
1 – 1,000	121	44,441	0.02%
1,001 – 5,000	343	909,594	0.43%
5,001 – 10,000	197	1,619,336	0.76%
10,001 – 100,000	537	19,941,581	9.39%
Greater than 100,000	205	189,935,578	89.40%
Total	**1,403**	**212,450,530**	**100.00**
Holding less than a marketable parcel	94	17,692	0.01%

The twenty largest listed security holders comprise:

RANK	SHAREHOLDER	ORDINARY SHARES	% OF TOTAL CAPITAL ISSUED
1	MITCHELL GROUP HOLDINGS PTY LTD	22,374,442	10.53
2	MITCHELL FAMILY INVESTMENTS (QLD) PTY LTD	18,403,603	8.66
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	18,084,842	8.51
4	DREAM CHALLENGE PTY LTD	13,182,888	6.21
5	BNP PARIBAS NOMINEES PTY LTD	10,755,723	5.06
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,164,099	4.78
7	CITICORP NOMINEES PTY LIMITED	8,535,917	4.02
8	FARJOY PTY LTD	6,312,905	2.97
9	VERONA CAPITAL PTY LTD	3,680,000	1.73
10	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	2,756,496	1.30
11	HANCROFT PTY LTD	2,500,000	1.18
12	CERTANE CT PTY LTD	2,277,511	1.07
13	B & A DURHAM SUPER PTY LTD	2,150,000	1.01
14	PETER MILLER	1,981,681	0.93
15	R & B INVEST PTY LTD	1,900,000	0.89
16	SONYA MILLER	1,761,681	0.83
17	WESTFERRY OPERATIONS PTY LTD	1,500,255	0.71
18	JUDYKAYE INVESTMENTS PTY LTD	1,500,000	0.71
18	BERNE NO 132 NOMINEES PTY LTD	1,500,000	0.71
19	MR MARK SHEFFIELD HANCOCK & BRIG IAN DENIS WESTWOOD	1,278,879	0.60
20	PACIFIC CUSTODIANS PTY LIMITED	1,236,576	0.58
Total		**133,837,498**	**63.00**

ADDITIONAL AUSTRALIAN STOCK EXCHANGE INFORMATION

The following information is current as at 13 August 2026

UNQUOTED AND RESTRICTED SECURITIES

The following options granted as part of the Employee Share and Option Plan are on issue. The exercise of these options is subject to vesting conditions. For more information, refer to the Directors' Report.

CLASS	NUMBER OF OPTIONS
Management options	9,878,925

SUBSTANTIAL SHAREHOLDERS

The following is a summary of the current substantial shareholders pursuant to notices lodged with the ASX in accordance with section 671B of the *Corporations Act*.

NAME	DATE OF NOTICE	ORDINARY SHARES[1]	% OF TOTAL CAPITAL ISSUED[2]
Mitchell Group Holdings Pty Ltd and associates	7 Feb 2025	42,228,408	19.89%
Dream Challenge Pty Ltd	29 Nov 2019	14,354,068	7.20%

1 As disclosed in the most recent notice lodged with the ASX by the substantial shareholder.
2 The percentage set out in the notice lodged with the ASX is based on the total share capital at the date of interest.

VOTING RIGHTS

Ordinary shares

The voting rights attached to ordinary shares is set out below:

On a show of hands, every member present at a meeting in person, or by proxy, shall have one vote, and upon a poll, each share shall have one vote.

No other classes of securities have voting rights.

CORPORATE DIRECTORY

BOARD OF DIRECTORS

EXECUTIVE CHAIRMAN

Nathan Andrew Mitchell

NON-EXECUTIVE DIRECTORS

Peter Richard Miller
Robert Barry Douglas
Neal Macrossan O'Connor
Peter Geoffrey Hudson
Scott David Tumbridge

CHIEF EXECUTIVE OFFICER

Andrew Michael Elf

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Gregory Michael Switala

REGISTERED OFFICE

Mitchell Services Ltd
ABN 31 149 206 333

112 Bluestone Circuit
Seventeen Mile Rocks
QLD 4073

PRINCIPAL PLACE OF BUSINESS

112 Bluestone Circuit
Seventeen Mile Rocks
QLD 4073

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Darra QLD 4076

P: 07 3722 7222
F: 07 3722 7256
W: mitchellservices.com.au

SHARE REGISTRY

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TAXATION ADVISORS

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F: 07 3257 5999
W: pwc.com.au

BANKERS

National Australia Bank
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Brisbane QLD 4000

P: 13 22 65
F: 1300 882 536
W: nab.com.au


ROTATE

Mitchell
SERVICES