

ASX RELEASE.

1 February 2021

Corporate Update

Expectation that the Company's securities will shortly be removed from the official list of the Australian Securities Exchange (ASX).

MCB Resources Limited (MCB or the Company) (ASX: MCB) provides this update on its Bougainville activities and funding arrangements.

- On 17 December 2019, the Bougainville government imposed an exploration suspension on the Company's activities. This suspension remains in force with no clarity as to when it might be lifted.
- As a consequence, on 17 December 2019, the Company requested a trading halt followed by a suspension of trading in its securities from the ASX. This suspension has remained in place and is inextricably linked to the exploration suspension.
- In November 2020, the Company's exploration licences fell due for renewal. The Company has applied for its licences to be renewed in accordance with the Mining regulations but to date the licences have yet to formally be renewed and it is uncertain when the licences will be renewed or what conditions will be placed on the licences upon their renewal. Until the Company has security of tenure, it will not be able to recommence trading in its securities on the ASX.
- For the past several years, the Company's financial position has been reliant on the ongoing support of Tygola Pty Ltd (Tygola), which company has continued to provide secured finance facilities. The Company has for several months been endeavouring to secure the ASX's consent to a recapitalisation strategy. The Company understands it needs to complete its recapitalisation prior to it seeking to have the ASX suspension lifted. Given the licence and exploration uncertainties referred to above, the Company is uncertain how long it might take to successfully undertake a recapitalisation.
- In the meanwhile, the Company is incurring the costs of being an ASX listed company without its shareholders being able to trade their securities on the ASX.
- Tygola has advised the Company that while it presently intends to continue to fund exploration and operating activities, it will no longer support the costs associated with the Company being listed on the ASX in circumstances where the Company's shares are suspended from trading.
- The Board has reached out to the Company's major shareholders to see if they would be prepared to fund the costs associated with the Company remaining listed on the ASX, but each of them has declined to do so. On the other hand, they were supportive of the Company becoming an unlisted public company.

- **Accordingly, the Company has advised the ASX that it will not be making payment of its listing fee which fell due for payment on 31 January 2021. Under the ASX Rules, “ASX will remove the entity from the official list at the close of trading on the 20th business day after the due date. ASX will not waive this rule.”, and therefore the Company accepts that it will more than likely be removed from the ASX’s official list by the end of February 2021.**
- **The Board regrets this outcome.**

Future activities

It is the Company’s intention to continue its operations as an unlisted public company. The Company will continue to be subject to the Corporations Law as it pertains to public companies.

In particular, as set out in the Company’s announcement to the ASX dated 27 January 2021, the Company’s primary aim, once the Bougainville-wide suspension of field activities is lifted, is to establish an operational base and security/police presence at the Melilup Prospect, and continue preparation for drilling. Once the field camp is established a program of detailed mapping, sampling and ground geophysics will commence across the wider prospect area to allow drill targeting and the commencement of drilling. SOE “lock down” and restrictions, and the need for ground-based geophysics to support drill targeting (due to very poor outcrop and dense tropical jungle), means drilling will now not commence until late H2 2021 at the earliest. This timeline will be subject to the lifting of SOE travel restrictions, lifting of international travel restrictions to allow select technical people to site for extended periods, lifting of the Company’s exploration suspension, improved law and order, and the ability of the Company to access suitable contractors to perform the various technical tasks, and the raising of additional funds.

The Company will continue to operate its website www.mcbresources.com and will keep shareholders abreast of developments through that medium.

Following the de-listing, as the Company’s shares will no longer be traded on the ASX, the Company intends to use reasonable endeavours to facilitate introductions and communication among any Shareholders who wish to sell their shares and those persons who wish to purchase shares in the Company. To do this shareholders or persons wishing to acquire shares will be able to leave an indication with the Company that they are prepared to buy and sell shares in the Company at a specified price. In the event that the Company is able to match that order with an opposite sell or buy instruction, the Company would contact both parties to effect the order. In carrying out such activities, the Company will take no responsibility to match-up shareholders wishing to sell and purchase shares in the Company, and no responsibility in respect of the time frame in which introductions or communications (if any) are made or as to the price at which any trades might take place.

Authorised for release by Michael Johnston, Executive Director.

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ABOUT MCB RESOURCES LIMITED

MCB Resources Limited is an ASX listed junior exploration company, solely focused on its two Exploration Licenses in North Bougainville. The tenements are considered highly prospective for porphyry copper and intrusion related copper gold mineralisation and have not been the subject of any significant modern exploration since “The Crisis” in 1989.

ABOUT THE BOUGAINVILLE EXPLORATION LICENSES

The Company, through Tore Joint Venture Limited, manages two exploration licenses on the island of Bougainville, Autonomous Region of Bougainville, Papua New Guinea. Tore Joint Venture Limited is 75% owned by MCB Resources Limited, with the remaining 25% being held by Toremana Resources Limited, a registered landowner association. The two exploration licenses, EL03 and EL04 were issued in November 2017, for an initial period of three years, and cover a combined area of 1,704 km². The company has commenced the renewal process.

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