

PRESS RELEASE.

22 April 2021

Activities Report – Quarter Ended 31 March 2021

MCB Resources Limited (**MCB** or the **Company**) reports that the following activities occurred during the quarter ended 31 March 2021.

Summary

- Trading in the Company’s shares on the Australian Securities Exchange (**ASX**) ceased at 5.00pm AEDT on Friday 26 February 2021 due to failure to pay annual listing fees (as advised), and in accordance with ASX listing rule 17.15 (see Company release dated 1 March 2021).
- No field work was completed during the quarter due to the ongoing suspension of all geological activities that has been in place Bougainville wide since 17 December 2019.
- On 20 April 2021, the Company issued an update regarding its funding arrangements with Tygola Pty Ltd (Tygola). Tygola agreed to continue to support the Company by extending its loan facilities through to 30 June 2021 (see Company release dated 20 April 2021).

COVID-19 crisis: The Company continued to work with authorities regarding the implementation of the Autonomous Region of Bougainville (AROB), Papua New Guinea (PNG), and Australian Government responses to the COVID-19 crisis. Travel in and out of PNG and Bougainville remains tightly controlled, and subject to 14 day quarantine and the SOE Controller’s approval from Port Moresby, Bougainville, and Australia.

COVID-19 cases in PNG “exploded” in February 2021. The PNG hospital system is reported as being at “crisis point”. As of 19 April 2021 a total of 9,952 COVID cases have been reported in PNG, and 195 in Bougainville (up from 1 case in mid-January 2021). A total of 91 deaths have now been recorded in PNG, although none are noted for Bougainville. Testing rates within PNG and Bougainville are however extremely low by international standards and the number of COVID cases is widely regarded as being much higher than the official rates quoted.

Exploration Activities

The Bougainville wide ban on exploration activities imposed by the Bougainville Executive Council (**BEC**) remained in force throughout the quarter.

The Company held several meetings with the Mines Minister and the Department of Mineral and Energy Resources (**DoMER**) in an effort to have the suspension lifted. The Company feels progress is being made, but it remains painfully slow.

Preparation continued for the establishment of a field camp “operational base” at the Melilup Prospect to support an accelerated work program.

Licence Renewal

The Company continued to work with DoMER officials to facilitate the renewal of the Company’s two Exploration Licences.

The Bougainville Mining Advisory Council (**BMAC**) met on 17 March 2021 to review the results of the Warden’s hearings held in the previous quarter, and to discuss the renewal of the Company’s two ELs. The BMAC recommendation was submitted to the Minister in late April. The Company now awaits the Minister’s decision.

In accordance with the Bougainville Mining Act, the licence holder must maintain the licences in good standing throughout the renewal process.

Community

Community work was scaled back in the quarter as the Company awaited the renewal of its licences. Work completed largely focused on completing outstanding reconciliations, and preparation for the establishment of a base camp at Melilup.

Landowner access fee payments were suspended during the quarter, in accordance with the Company’s signed *Land Access and Compensation Agreements* which provide provision to pause payments if access is stopped under certain circumstances.

Future Work

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.

At the end of the quarter, most local staff were suspended without pay as the Company continued to manage costs while it awaits the Government’s decision on the suspension and renewal of the Company’s licences.

Corporate

Funding update

The Company advised on 20 April 2021 (see Company release dated 20 April 2021) that Tygola Pty Ltd (**Tygola**) had agreed to continue to support the Company by providing an extension of its loan facilities through to 30 June 2021, including the in-principle provision of a further loan facility of \$A1.5 million (**Facility 5**).

At the date of this release, the Company has fully drawn down Facilities 1, 2, and 3, and a portion of Facility 4 for a total of \$A8.24 million, leaving a total of \$A2.26 million available.

Cash Flow

The table below summarises the Company's cash flows during the quarter ended 31 March 2021 and for the 9 months then ended.

	Current quarter \$A'000	Year to date (9 months) \$A'000
Consolidated statement of cash flows		
Cash flows from operating activities		
Exploration & evaluation	(171)	(552)
Staff costs	(126)	(458)
Administration and corporate costs	(46)	(412)
Net cash from / (used in) operating activities	(343)	(1,422)
Cash flows from investing activities		
Payments to acquire property, plant and equipment	-	(55)
Net cash from / (used in) investing activities	-	(55)
Cash flows from financing activities		
Proceeds from borrowings	300	1,440
Net cash from / (used in) financing activities	300	1,440
Net increase / (decrease) in cash and cash equivalents for the period	(43)	(37)
Cash and cash equivalents at beginning of period	52	46
Cash and cash equivalents at end of period	9	9

Authorised for release by Michael Johnston, Executive Director.

For further information, please contact:

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About MCB Resources Limited

MCB Resources Limited is an unlisted public company, solely focused on its two Exploration Licences 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 licences 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 licences, 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.

Tenement Schedule

Tenements held by MCB Resources Limited and subsidiary companies.

TENEMENT	LOCATION	NAME	INTEREST
EL03	Bougainville	Tore East	75%
EL04	Bougainville	Tore West	75%

Field work on the Company's two Bougainville tenements was suspended by the DoMER on 17th December 2019. The suspension remains in force.

Competent Persons Statement

The information in this announcement that relates to Exploration Results is based on information reviewed by **Mr Michael Johnston** who is a fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) and an Executive Director of the Company. Mr Johnston has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Johnston consents to the inclusion of the information in the form and context in which it appears. Mr Johnston is a related party by virtue of being an executive director of MCB Resources.

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