

ASX RELEASE.

25 June 2020

Funding Arrangements Update

MCB Resources Limited (“MCB” or “the Company”) (ASX: MCB) is pleased to provide an update on its funding arrangements.

Tygola Pty Ltd (“Tygola”) has agreed to continue to support the Company by providing the Company with an extension of its loan facilities through to 30 September 2020.

A summary of all the loan arrangements in place with Tygola is;

- May 2018, “Facility 1”, a \$3 million secured loan, repayable on 30 September 2020;
- January 2019, “Facility 2”, a \$1.5 million second secured facility, repayable on 30 September 2020;
- July 2019, “Facility 3”, an unsecured loan of \$1.5 million, repayable on 30 September 2020; and
- September 2019, “Facility 4”, an unsecured loan of \$3 million, repayable on 30 September 2020.

Save for Tygola having the option of converting \$1 million of Facility 2 at \$0.40 per ordinary share, all loans are payable in cash and bear an interest rate of 10% per annum and attract a facility fee of 5%.

At the date of this announcement, the Company has fully drawn down Facilities 1, 2 and 3, and a portion of Facility 4 for a total of \$6.8 million, leaving a total of \$2.2 million available under Facility 4, with all loans due and payable on 30 September 2020.

This funding and support will allow the Company to pursue its previously announced recapitalisation strategy (see announcement of 30 September 2019).

As previously announced, Tygola has indicated to the Board that it is prepared, subject to formal documentation at the time and any required ASX and shareholder approvals, to convert the total amount due to it into new ordinary shares on the same terms as the proposed recapitalisation referred to above.

Authorised for release by Mr Michael Johnston, Executive Director.

For further information, please contact:

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