



## Vysarn Undertakes Capital Reduction

Vysarn Limited (**Vysarn or the Company**) advises that the Board has resolved to reduce the share capital of the Company in accordance with Section 258F of the Corporations Act. The amount of the capital reduction will be \$22,988,151 and represents the balance of the Company's retained losses as at 30 June 2019. The capital reduction will be reflected in the Company's financial report for the year ended 30 June 2020.

After due consideration the Board has taken the view that accumulated losses as at 30 June 2019 of \$22,988,151 are permanent and relate to the Company's discontinued business operations formerly known as MHM Metals Limited.

The earning of future profits will result from the Company's new focus as a provider of production critical services and solutions to the resources, construction and utilities industries following the purchase of various waterwell drilling assets and associated Inventory from Ausdrill Northwest Pty Ltd. Accordingly, the Board has resolved to reduce the Company's share capital in accordance with Section 258F of the Corporations Act.

The capital reduction will have the effect of reducing the share capital account and eliminating accumulated losses in the parent entity's financial statements. This is a technical accounting adjustment only. No shares have been cancelled or rights varied and there is no impact on the net assets, financial results, cash flow or funding of the Company.

Vysarn is required to make the following disclosures to security holders under ASX Listing Rule 7.20:

- *The effect of the capital reduction on the number of securities and the amount unpaid (if any) on the securities - **no impact***
- *The proposed treatment of any fractional entitlements arising from the capital reduction - **not applicable as no fractional entitlements arise**; and*
- *The proposed treatment of any convertible securities on issue - **not applicable as there are no convertible securities on issue and, if there were, the capital reduction would have no impact on them.***

This ASX announcement has been authorised for release by the Board of Vysarn Limited.

### For further information:

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