

16 May 2022

## METALS EXPLORATION PLC

### Proposed Capital Reorganisation, Publication of Annual Report & Accounts and Notice of Annual General Meeting

Metals Exploration plc (AIM: MTL) (“**Metals Exploration**” or the “**Company**”), a gold producer in the Philippines, announces that the Company’s Annual Report and Accounts for the year ended 31 December 2021 has been published today.

#### Annual General Meeting

The Annual General Meeting of the Company (“**AGM**”) will be held on at 3.00 p.m. on 17 June 2022 at the offices of Armstrong Teasdale, 38 – 43 Lincoln’s Inn Fields, London WC2A 3PE and at any adjournment thereof.

A circular (the “**Circular**”) to shareholders containing the notice convening the Company’s AGM and information in connection with a proposed capital reorganisation will be posted to shareholders together with the Company’s Annual Report and Accounts. Copies of the Annual Report and Accounts and Circular (which includes the notice of AGM) are available on the Company’s website at <https://www.metalsexploration.com/>.

Capitalised terms in this announcement have the same meanings as in the Circular.

#### Capital Reorganisation

Shareholders will be invited to approve a Capital Reorganisation at the AGM as detailed in the Circular. The proposals are subject to, *inter alia*, Shareholder and Court approval and following implementation, the Company will have a single class of ordinary shares of £0.0001 each in issue.

The proposed Capital Reorganisation will consist of two elements: (i) a Sub-Division of each Existing Ordinary Share into one New Ordinary Share and one Deferred Share; and (ii) a Capital Reduction by way of both the cancellation of the Deferred Shares and the cancellation of the Company’s Share Premium Account.

The purpose of the Capital Reorganisation as a whole is: (i) to enable the Company to issue shares in future at an issue price which significantly exceeds their nominal value; and (ii) to create a reserve by cancelling the deferred share capital of the Company as well as cancelling the Share Premium Account.

#### *Sub-Division*

The Company’s issued share capital currently consists of 2,071,334,586 Existing Ordinary Shares.

The mid-market price of the Existing Ordinary Shares as at 13 May 2022 (being the latest practicable date prior to the publication of this document) was 1.1 pence per Existing Ordinary Share. The Company is not permitted by law to issue shares at an issue price which is below their nominal value. This could potentially limit the Company’s flexibility to fundraise in future by way of an issue of new ordinary shares of 1 penny each should the market price be below their nominal value per ordinary share. In order to enable the Company to issue ordinary shares in the future at an issue price which significantly exceeds their nominal value, Shareholder approval is being sought to complete the Capital Reorganisation.

It is proposed that each Existing Ordinary Share will be sub-divided into one New Ordinary Share, with a nominal value of £0.0001, and one Deferred Share. The Deferred Shares will have a nominal

value of £0.0099 each, and these shares are thereafter proposed to be cancelled pursuant to the Capital Reduction.

### *Capital Reduction*

The Circular sets out a proposal for the entire share premium account of the Company to be cancelled. In addition, the entire class of Deferred Shares in issue created as a result of the Sub-Division as described above is also proposed to be cancelled. The effect of the proposed Capital Reduction, if approved, will create a pool of distributable reserves. Such distributable reserves may in the future be used to absorb future losses and/or (subject always to compliance with law and the Company having sufficient cash to fund dividends) effect distributions or other returns of value to shareholders if it is considered prudent to do so.

### **AGM Resolutions**

The Resolutions that will be put to Shareholders at the Company's AGM.

#### **Resolution 1: Receiving the Accounts**

The Board recommends the receiving of the audited accounts for the year ended 31 December 2021 together with the Reports of the Directors and the Auditors thereon.

#### **Resolutions 2 – 4: Re-appointment of Directors**

These resolutions relates to the re-appointment of Messrs Darren Bowden, David Cather, and Andrew Chubb each retire as a Director in accordance with the Articles of Association and, being eligible, offers himself for re-appointment. The Board recommends the re-appointment of each of these Directors.

#### **Resolutions 5 and 6 – Appointment of Steven Smith and Timothy Livesey as Directors**

This resolution relates to the appointment of Messrs Smith and Livesey as Directors following the last annual general meeting of the Company. The Board recommends the re-appointment of each of these Directors.

#### **Resolution 7 – Auditors' re-appointment and remuneration**

The resolution relating to the auditors' reappointment and remuneration is usual business for the Annual General Meeting.

#### **Resolution 8: Sub-Division of the Existing Ordinary Shares**

This resolution, which is a special resolution, is to approve the sub-division of the Existing Ordinary Shares and the adoption of new articles of association, further details of which are contained in paragraph 3 of Part 3 of the Circular. The proposed amendments to the Articles set out the limited rights and restrictions of the new class of Deferred Shares created as a result of the Sub-Division.

A copy of the Company's updated articles of association, showing the changes made to the existing articles of association, will be made available on the Company's website ([www.metalsexploration.com](http://www.metalsexploration.com)) and copies are available upon request from the Company.

#### **Resolution 9: Cancellation of the Deferred Shares and cancellation of the Company's Share Premium Account**

This resolution, which is a special resolution, is to cancel and extinguish all of the Deferred Shares, and to cancel the Share Premium Account in its entirety, further details of which are contained in paragraphs 4 and 5 of Part 3 of the Circular.

### **Resolution 10: Authority of Directors to allot shares**

Resolution 10 is proposed as a special resolution granting authority to the directors to allot and issue up to 20,600,000 new Ordinary Shares to members of the senior management team in accordance with the 2021 Management Incentive Plan. The deemed issue price of such shares will be £0.01245 per share being the 30 day VWAP on the date the Board approved the bonus payment. It is intended to issue these shares immediately following the AGM.

Should this resolution be passed, the Company's executive director, CEO Mr Darren Bowden, will be issued a maximum of 8,257,335 new New Ordinary Shares.

### **Resolution 11: Dis-application of statutory pre-emption rights**

Resolution 11 is a special resolution and will, if approved, provide the Directors with authority to issue equity securities for cash on a non pre-emptive basis pursuant to the authority conferred by Resolution 10 above. The authority will expire at the commencement of the Company's next annual general meeting.

### **Resolutions 12 and 13:**

As announced on 5 May 2022, the Company intends to grant Mr Tim Livesey an option to subscribe for 6.6 million new New Ordinary Shares in the capital of the Company with a subscription price per share equal to the nominal value of each share at the time of exercise. Resolutions 12 and 13 authorise the directors to allot and issue such shares upon the exercise of the option by Mr Livesey on a non pre-emptive basis. Both resolutions are proposed as special resolutions.

For further information please visit or contact [www.metalsexploration.com](http://www.metalsexploration.com)

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## Appendix

### Expected Timetable of Principal Events

Latest time and date for receipt of forms of proxy, CREST Proxy Instruction or electronic proxy appointment for use at the Annual General Meeting	3.00 p.m. on 15 June 2022
Annual General Meeting	17 June 2022
Sub-Division Record Date	17 June 2022
Expected effective date of the Sub-Division	20 June 2022
Expected date of admission of New Ordinary Shares to trading on AIM	8.00am on 20 June 2022
Expected date for final hearing and confirmation of the Capital Reduction by the Court	19 July 2022
Expected date for registration of Court order and effective date of the Capital Reduction	21 July 2022

#### Notes:

- 1) The timing of the events in the above timetable and in the rest of this document is indicative only and may be subject to change. In particular, the expected dates for the confirmation of the Capital Reduction by the Court and the Capital Reduction becoming effective are based on provisional dates that have been obtained for the required Court hearings of the Company's application. These provisional hearing dates are subject to change and are dependent on the Court's timetable.
- 2) The timetable assumes that there is no adjournment of the AGM. If there is an adjournment, all subsequent dates are likely to be later than those shown.
- 3) If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement to a Regulatory Information Service.
- 4) All of the events listed in the above timetable following the holding of the AGM are conditional upon the passing of the Resolutions. The Capital Reduction is further conditional upon (i) approval by the Court and (ii) registration with the Registrar of Companies of the Court order confirming the Capital Reduction, together with a statement of capital approved by the Court.
- 5) The Capital Reduction will not take effect until the Court Order and accompanying statement of capital have been delivered to, and registered by, Companies House. Due to the COVID-19 pandemic, Companies House is not presently offering a same-day service for such registration and this may have an impact on the proposed timetable.
- 6) All of the times referred to above are references to London time.

### Admission of New Ordinary Shares to trading on AIM

Application will be made to the London Stock Exchange plc for the admission to trading on AIM of the New Ordinary Shares, which is expected to become effective and dealings commence at 8.00 a.m. on or around 20 June 2022, subject to the resolution 8 being passed at the AGM.