

VI Mining PLC
(the “Company” or “VI Mining”; NEX: VIM)

Conversion of Debt and Financing Update

VI Mining is pleased to announce that it has issued an aggregate of 4,869,538 new ordinary shares of nil par value (“Ordinary Shares”) at a price of 15p per share in satisfaction of approximately £730,400 owing by the Company and its subsidiaries (the “Group”) (the “Conversion Shares”), subject only to the shares being admitted to trading on the NEX Exchange (“Admission”).

712,307 Conversion Shares have been issued and allotted to certain creditors, including a former director of VI Mining and 4,157,231 Conversion Shares have been issued and allotted to David Sumner, Chairman of the Company, in full satisfaction of outstanding remuneration and expenses.

Following the issue of the Conversion Shares, David Sumner will hold 5,140,288 Ordinary Shares, representing 3.9% of the enlarged issued share capital and Sumner Group Holdings Limited (“SGH”), of which David Sumner is the majority shareholder, will hold 82,343,224 Ordinary Shares, representing 62.2% of the enlarged issued share capital.

Application will be made for Admission which is expected to take place on 12 March 2020.

Following Admission, there will be 132,435,407 Ordinary Shares in issue with each share carrying the right to one vote. This figure may be used by shareholders as the denominator for the calculations to determine if they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure Guidance and Transparency Rules.

Financing Update

In the announcement of the interim results on 31 December 2019, the Company noted that David Sumner and SGH had confirmed that on the closing of SGH’s security token private placement fundraising (the “STO”) they intended to offer the Company a new debt facility which would replace the existing facilities on similar terms.

VIM has sought clarification from SGH and David Sumner on the status of the STO fundraising and their continuing financial support for the Company. The Board understands that the SGH STO fundraising remains in process, but the tokens are currently being migrated to a new technology platform. There are no indications at present of the level of funding that may be secured by SGH through the STO fundraising. Therefore, the timing of material funding through this route remains uncertain.

David Sumner, with the support of SGH, continues to provide VI Mining with ongoing working capital and has confirmed that he will continue to do so. The Company maintains regular dialogue with creditors and makes payments as working capital allows.

As announced on 31 December 2019, the Company has signed heads of agreement under which the operations in Peru will be restructured into a new joint venture partnership arrangement and negotiations on definitive legal documentation are in progress. As a direct result of this proposed partnership, the Company’s ongoing cash flow requirements have been significantly reduced, as the partner will be

performing all on site operational activities and the parties will share resulting profits. Following formal agreement on this new arrangement, the Company expects Cushuro and Oro Pesa to go into production and cash flow delivery in 2020.

Further announcements will be made in due course.

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