



WELNEY PLC

(registered number in England and Wales 05840813)

Explanatory Circular and Notice of General Meeting

IF YOU ARE IN ANY DOUBT EITHER AS TO THE IMPORT OF THIS DOCUMENT OR AS TO THE COURSE OF ACTION THAT YOU SHOULD UNDERTAKE AS A RESULT OF HAVING READ THE CONTENTS, you should consult a stockbroker or independent financial adviser who is authorised and regulated by the FCA to give advice to the shareholders of small, unlisted public companies such as the Company.

TABLE OF CONTENTS

DIRECTORS, SECRETARY AND ADVISERS	2
LETTER FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS.....	3
Introduction	3
Background to and reasons for the Proposals.....	4
Share Consolidation, Share Sub-division and Subscription	4
Directors' Ordinary Shares and Options in the Company.....	5
Use of Proceeds	5
Dis-application of pre-emption rights and authority to allot shares	5
Proposed Directors	6
Change of Name.....	7
Share certificates	7
General Meeting	7
Action to be taken.....	8
Recommendation.....	8
EXPECTED TIMETABLE OF PRINCIPAL EVENTS	9
SHARE CAPITAL STATISTICS.....	10
DEFINITIONS.....	11
NOTICE OF GENERAL MEETING.....	13

DIRECTORS, SECRETARY AND ADVISERS

Directors	Darren Edmonston Cameron Luck
Company Secretary	Nominee Secretaries Limited
Registered Office	Welney Plc The Barn, Tednambury Farm Tednambury Hertfordshire CM23 4BD
Auditors	Edwards Veeder (UK) Limited, Statutory Auditor Chartered Accountants Ground Floor, 4 Broadgate Broadway Business Park, Chadderton Greater Manchester, OL9 9XA
Financial Advisers	Keith, Bayley, Rogers & Co. Limited No. 1 Royal Exchange Avenue London, EC3V 3LT
Registrars	Share Registrars Limited The Courtyard 17 West Street, Farnham Surrey GU9 7DR

LETTER FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

WELNEY PLC

(Incorporated and registered in England and Wales with the registered
05840813)

Directors:

Darren Edmonston
Cameron Luck

Registered Office:

Welney plc
The Barn, Tednambury Farm
Tednambury
Hertfordshire
CM23 4BD

Proposed Capital Reorganisation;

Subscription for new Ordinary Shares;

Changes of Directorate;

Change of name;

Notice of General Meeting

Dear Shareholder,

Introduction

This Circular sets out the background to and the reasons for matters to be proposed at the General Meeting, the notice of which forms a part of the Document. It also explains why the Directors consider the Proposals to be in the best interests of the Company and Shareholders as a whole and why they recommend that Shareholders should vote in favour of the Resolutions to be proposed at the General Meeting.

In the last month, the Company, following proposals put forward by the Proposed Directors, has worked on an informal creditors' voluntary arrangement, whereby they would receive cash and New Ordinary Shares in the company in settlement of the amounts due to them, the cash being provided by the Subscribers. Over 90% of the creditors have agreed to this proposal and I would like to thank these creditors for their support.

The Company has conditionally placed 5,000,000 new Ordinary Shares at a price of GBP0.003 per share, raising GBP15,000 before expenses, pursuant to the Subscription. The funds raised will be used to recapitalise the Company.

The Company has also conditionally raised £35,000 in unsecured, convertible loan stock. The loan stock shall bear interest at 5% per annum, payable annually in arrears.

The New Ordinary Shares will be issued following the passing of the Resolutions and their allotment is conditional upon the passing of the Resolutions contained in this Notice.

Conditional on the passing of the Resolutions, Cameron Luck will retire as a Director immediately following the conclusion of the General Meeting, and Simon Grant-Rennick and Mark Jackson will be appointed as Directors of the Company to join me on the board.

A notice convening a General Meeting at 10:30 a.m. on 29 June 2020 at the offices of Bushwood Accountants, to consider the Resolutions, is set out at the end of this Circular.

Background to and reasons for the Proposals

With the Company having no material value and approximately GBP380,000 in creditors/debts as at 30 April 2020, the Company has taken the decision to put forward the Proposals to Shareholders. The Proposals will also facilitate the agreement under the informal creditors' arrangement, outlined in the introduction above. The Proposals are intended to give the Company a future.

The Company was approached by investors and, after review, the Board has decided that the Proposals are in the best interests for Shareholders as a whole. Under the Proposals, the overheads of the Company will be reduced and the proposed Board changes, Subscription and other refinancing described here will give the Company a new direction.

Share Consolidation, Share Sub-division and Subscription

It is proposed that, simultaneously with the other proposed Resolutions, the share capital of the Company be reorganised as follows:

- (a) The Ordinary Shares of GBP0.001 will be consolidated into new ordinary shares of GBP0.10 each on the basis of the one New Ordinary Share for every 100 ordinary shares of GBP0.001 each.
- (b) Each existing Ordinary Share with a par value of GBP0.1 will then be subdivided into:
 - (i) One ordinary share of GBP0.001 each; and
 - (ii) One deferred share of GBP0.099 each

Where the share capital reorganisation results in any Shareholder being entitled to a fraction of a new Ordinary Share, such fraction shall be aggregated and the Directors intend to sell (or appoint another person to sell) such aggregated fractions in the market and retain the net proceeds for the benefit of the Company.

Existing share certificates will cease to be valid following the Share Consolidation. New share certificates in respect of the new Ordinary Shares will be issued on or around 21 June 2020. No certificates will be issued in respect of the Deferred Shares, nor will CREST accounts of Shareholders be credited in respect of any entitlement to the Deferred Shares. No application will be made for the Deferred Shares to be admitted to trading on the Aquis Exchange Growth Market or any other investment exchange.

The new Ordinary Shares will be freely transferrable, and application will be made for the new Ordinary Shares to be admitted to trading on the Aquis Exchange Growth Market.

The Deferred Shares will be transferable only with the consent of the Company and will not be admitted to trading on the Aquis Exchange Growth Market (or any other investment exchange or facility for the trading of unlisted securities). The holders of the Deferred Shares shall not, by virtue or in respect of their holdings of Deferred Shares, have any right to receive notice of any

general meeting of the Company nor the right to attend, speak or vote at any such general meeting. Save as required by law, the Company need not issue share certificates to the holders of the Deferred Shares in respect of their holding thereof. The holders of Deferred Shares shall not be entitled to receive any dividend or distribution and shall only be entitled to any repayment of capital on a winding up once the holders of Ordinary Shares have received GBP1,000,000 in respect of each Ordinary Share held by them.

One consequence of the Share Consolidation is that Shareholders holding fewer than 100 Existing Ordinary Shares will receive no Ordinary Shares. This consequence of the Share Consolidation is illustrated in the table below:

Number of Existing Ordinary Shares currently held	Number of New Ordinary Shares held
100	1
300	3
15000	150

To effect the Share Consolidation and Share Sub-division, it will be necessary to issue an additional 95 Existing Ordinary Shares so that the Company's issued ordinary share capital is exactly divisible by 100. These additional existing Ordinary Shares will be issued to the Registrar before the record date for the Share Consolidation and Sub-division. Since these additional shares would only represent a fraction of an Ordinary Share, this fraction will be held in the Company's treasury and accounted for when the next external audit is conducted, as the Company's auditors advise the Directors to be appropriate.

Directors' Ordinary Shares and Options in the Company

Conditional on approval of the Proposals, the Directors' interests in Ordinary Shares and rights to acquire Ordinary Shares in the Company will be as follows:

Director	Ordinary Shares	Ordinary Shares as a percentage of the Enlarged Share Capital
Darren Edmonston	431,309	1.95%
Mark Jackson	4,060,000	18.3%
Simon Grant-Rennick	2,500,000	11.3%

Use of Proceeds

The proceeds of the Subscription will be used for general working capital purposes.

Dis-application of pre-emption rights and authority to allot shares

In order to facilitate the proposed Subscription, allot New Ordinary Shares to certain creditors, as described above and to enable the Company to raise further funds to implement its intended Investment Strategy with minimal limitations, it is necessary for the Directors to seek authority from Shareholders at the General Meeting pursuant to the Companies Act 2006, inter alia, to issue the Subscription Shares and to issue further Ordinary Shares for cash. The Directors may

look to raise additional funds for the Company following the General Meeting, subject to any necessary resolutions being approved by the Shareholders.

Full details of the authorities the Directors are seeking at the General Meeting are set out in the attached notice of General Meeting.

Proposed Directors

Subject to the Resolutions being passed, it is proposed that immediately following the General Meeting, Simon Grant-Rennick will join the Board as a non-executive director and Mark Jackson will join the board as an executive director. Cameron Luck shall retire with immediate effect and without compensation for loss of office, and shall waive all claims against the Company.

In addition to the proposed directorships of the Company, the Proposed Directors hold or have held the following directorships (including directorships of companies registered in jurisdictions other than England and Wales), or have been a partner in the following partnerships, within the five years prior to the date of this Document:

Director	Current Directorships/ Partnerships	Past Directorships/ Partnerships
Mark Jackson	Sport Capital Group plc	Lombard Capital plc
	Ventura Finance Limited	
	Quetzal Securities Limited	
	Quetzal Capital Limited	
	Small Company Reporting Limited	
	Humberside Accountancy Courses Limited	
Simon Grant-Rennick	Selection Mines Limited	Global Recovery Limited
	IMFH Limited	Standfast Press Limited
	IM Performance Minerals Limited	Kardav Limited
	Gunmakers Hall Limited	Glyncastle Resource Limited
	Elk Investments Limited	Assertis Limited

Langleycourt Properties Limited	Langleycourt Limited
Sport Capital Group Plc	Philippine Gold Limited
Jacoma Estates Limited	Glyncastle Plc
Anglo African Conservation Limited	Glyncastle Mining Limited
Force Commodities Limited	Hippo Resources Limited
All Active Asset Capital Limited	

There is no further information that is required to be disclosed pursuant to Appendix 1, Table A, paragraph 5.1.2 of the Aquis Exchange Growth Market – Rules for Issuers.

Change of Name

Subject to the Shareholders' approval of the other Proposals, it is proposed that the name of the company be changed to Quetzal Capital plc.

Share certificates

New share certificates will be issued in respect of the Ordinary Shares (following the Share Consolidation and Share Sub-division) held in certificated form if, as and when transfers of Ordinary Shares evidenced by certificates for Existing Ordinary Shares are presented to the registrar for certifying against the Company's share register and either a) the transferee specifies that he/she requires the Ordinary Shares being transferred to be in certificated form; and/or b) the transferor is due to receive a balance certificate, not having disposed of his/her entire holding of Ordinary Shares. Such new share certificates will be issued in the name of Quetzal Capital plc, and in post-Share Consolidation and Share Sub-division form.

General Meeting

There is attached to this Document and forming a part of it the notice convening a General Meeting of the Company to be held at the offices of Bushwood Accountants, at 10:30 a.m. on 29 June 2020 at which the Resolutions will be proposed, inter alia, to elect the Proposed Directors, to give the Directors authority to issue the New Ordinary Shares and to change the name of the Company. A summary of the Resolutions is set out below. Please note that unless all of the Resolutions are passed the Proposals outlined in this Document will not proceed.

At the General Meeting, the following Resolutions will be proposed, of which Resolutions 1 to 4 will be proposed as ordinary resolutions and Resolutions 5 and 6 will be proposed as special resolutions:

Resolution 1 – which will be proposed as an ordinary resolution, seeks approval for the Share Consolidation and Share Sub-division

Resolution 2 – which will be proposed as an ordinary resolution, seeks approval to authorise the Directors to issue shares pursuant to section 551 of the Act

Resolution 3 – which will be proposed as an ordinary resolution, seeks the election of Simon Grant-Rennick to the Board of the Company

Resolution 4 – which will be proposed as an ordinary resolution, seeks the election of Mark Jackson to the Board of the Company

Resolution 5 – which will be proposed as a special resolution, seeks approval to disapply the statutory pre-emption rights under section 561 of the Act

Resolution 6 – which will be proposed as a special resolution, seeks approval to change the name of the company to Quetzal Capital plc

Action to be taken

Shareholders will find enclosed a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible. To be valid, completed Forms of Proxy must be received by Registrars, not later than 10:30 a.m. on 16 June 2020, being 2 business days before the time appointed for holding the General Meeting. You are entitled to appoint a proxy to attend and to exercise all or any of your rights to vote and speak at the General Meeting instead of you. Completion of the Form of Proxy will not preclude you from attending and voting at the General Meeting in person if you wish. Your attention is drawn to the notes to the Form of Proxy.

Recommendation

The Directors considers the Proposals to be in the best interests of the Company and the Shareholders as a whole and therefore recommend that you vote in favour of the Resolutions, as the Directors intend to do in respect of their beneficial shareholdings.

Yours faithfully,

Darren Edmonston

For and behalf of the Board

Welney plc

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Document	2 June 2020
Latest time and date for receipt of Forms of Proxy in respect of the General Meeting	10:30 a.m. on 25 June 2020
Record Date for the General Meeting	6:00 p.m. on 25 June 2020
General Meeting	10:30 a.m. on 29 June 2020
Share Consolidation and Share Sub-division becomes effective	30 June 2020
Despatch of definitive certificates for New Ordinary Shares in certificated form	w/c 6 July 2020
Issue of New Ordinary Shares and Admission of these to trading on Aquis Exchange Growth Market	On or around 6 July 2020
CREST stock accounts credited with New Ordinary Shares in uncertificated form	On or around 2 July 2020
Proposals and Subscription become effective	29 June 2020

SHARE CAPITAL STATISTICS

Ordinary Shares of GBP0.001 each in issue as at the date of the Document	1,545,511,405
Ordinary Shares of GBP0.001 each in issue after the Share Consolidation and Share Sub-division	15,455,115
New Ordinary Shares to be issued pursuant to the Subscription	5,000,000
New Ordinary Shares to be issued to certain creditors	1,690,620
Enlarged Share Capital	22,145,735
Subscription Shares as a percentage of the Enlarged Share Capital	22.6%
Subscription Price	0.3 pence
Gross proceeds of the Subscription and loans	GBP50,000
Estimated net proceeds of the Subscription and loans	GBP50,000

DEFINITIONS

The following definitions apply throughout this Circular unless the context requires otherwise:

“Act”	the Companies Act 2006, as amended;
“Admission”	admission of the New Ordinary Shares to trading on the Aquis Exchange Growth Market, which is expected to become effective on or shortly after 6 July 2020;
“Aquis Exchange”	Aquis Exchange Limited, a recognised investment exchange under section 290 of FSMA, operated by Aquis Exchange plc;
“Aquis Exchange Growth Market”	the primary market for unlisted securities, operated by Aquis Exchange;
“Aquis Exchange Rules”	the Aquis Exchange Growth Market Rules for Issuers, which set out the admission requirements and continuing obligations of companies seeking admission to and whose shares are admitted to trading on the Aquis Exchange Growth Market;
“Articles” of “Articles of Association”	the articles of association of the Company from time to time;
“Board” or “Directors”	the directors of the Company at the date of this Document: Darren Edmonston and Cameron Luck.
“Circular” or “Document”	this document and its contents;
“Company” or “Welney”	Welney plc, a company registered in England and Wales with registered number 05840813;
“Deferred Shares”	the Deferred Shares of GBP0.099 each in the capital of the Company to be created by the Share Sub-Division described herein;
“Directors”	the directors of the Company as at the date of this Document;
“Enlarged Share Capital”	the issued ordinary share capital of the Company as enlarged by the issue of the Subscription Shares;
“Existing Ordinary Shares”	the ordinary shares of GBP0.001 each in the capital of the Company currently and prior to the proposed Share Consolidation and Share Sub-division;
“FCA”	the Financial Conduct Authority of the UK, a statutory body regulating the non-banking segment of the financial services sector under the Financial Services Act 2012, as amended;
“Form of Proxy”	the form of proxy accompanying the Circular for use at the General Meeting;
“General Meeting”	the General Meeting of Shareholders to be held at 10:30 a.m. on 29 June 2020, notice of which forms a part of the Document and any adjournments thereof;

“Investment Strategy”	the existing investment strategy of the Company as required by the Aquis Exchange Rules;
“New Ordinary Shares”	the 6,690,620 Ordinary Shares, including the Subscription Shares, to be issued if, as and when the Proposals become effective;
“Ordinary Shares”	ordinary shares of GBP0.001 each in capital of the Company, following the Share Consolidation and Share Sub-division;
“Proposals”	the proposals set out in this Circular, whereby Shareholders are being asked to consider and, if thought fit, approve the Resolutions set out in the General Meeting which forms a part of this Document;
“Proposed Directors”	Messrs. Simon Grant-Rennick and Mark Jackson, whose appointment as directors of the Company is conditional upon the passing of the Resolutions;
“Resolutions”	the resolutions set in the notice of General Meeting contained within the Circular;
“Shareholder(s)”	holder(s) of Existing Ordinary Shares in the capital of the Company;
“Share Consolidation”	the consolidation of the Company’s share capital in accordance with Resolution 1;
“Share Sub-division”	the sub-division of the Company’s share capital into Deferred Shares and Ordinary Shares in accordance with Resolution 1;
“Sterling” or “GBP”	the pound Sterling, the lawful currency of the UK;
“Subscriber”	the subscribers for the Subscription Shares;
“Subscription”	the conditional subscription of the Subscription Shares at the Subscription Price;
“Subscription Price”	GBP0.003 (0.3 pence) per new Ordinary Share;
“Subscription Shares”	The 5,000,000 new Ordinary Shares to be issued by the Company pursuant to the Subscription;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland.

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting (“Meeting”) of Welney Plc (“Company”) will be held on 29 June 2020 at 10.30 am at the offices of Bushwood Accountants, The Barn, Tednambury Farm, Tednambury, Herts. CM23 4BD for the purposes of considering and, if thought fit, passing the following Resolutions of which Resolutions 1 to 4 will be proposed as Ordinary Resolutions and Resolutions 5 and 6 will be proposed as Special Resolutions.

ORDINARY RESOLUTIONS:

1. That the Company be authorised to consolidate the Existing Ordinary Shares of GBP0.001 each into shares of GBP0.10 and then to subdivide such shares into Ordinary Shares of GBP0.001 and Deferred Shares of GBP0.099
2. That the Directors be authorised to allot Ordinary Shares in the capital of the Company up to the sum of GBP28,836 pursuant to Section 551 of the Companies Act 2006
3. That Simon Grant-Rennick be elected to the board
4. That Mark Jackson be elected to the board

SPECIAL RESOLUTIONS:

5. That the Company be authorised to disapply the statutory pre-emption rights under section 561 of the Companies Act 2006 in respect of allotments of Ordinary Shares in the Capital of the Company up to the sum of GBP28,836
6. That the company change its name from Welney Plc to ‘Quetzal Capital plc’

The Directors recommend Shareholders vote in favour of all the Resolutions.

By order of the Board

Darren Edmonston
Director

Welney Plc
The Barn, Tednambury Farm
Tednambury
Hertfordshire
CM23 4BD