



ANNOUNCEMENT

4 February 2021

MOPANE MINING RIGHT GRANTED

MC Mining Limited (“**MC Mining**” or the “**Company**”) is pleased to announce that the South African Department of Mineral Resources & Energy (“**DMRE**”) has granted the remaining mining right for its 74% owned Mopane coking and thermal coal project (“**Mopane Project**”) in the Limpopo province.

The Mopane Project, together with the Chapudi and Generaal Projects, comprise the Company’s longer-term Greater Soutpansberg Project (“**GSP**”) in the Soutpansberg Coalfield. The GSP is located within close proximity to the Musina-Makhado Special Economic Zone (“**SEZ**”), an area designated by government to focus on, amongst others, energy and metallurgical industries.

The Company submitted mining right applications for the three GSP project areas to the DMRE during 2013 and the Chapudi Project mining right was granted in December 2018, followed by the Generaal Project mining right in November 2019. The Mopane Project contains 230 million gross tonnes *in situ* of measured and indicated coal resources¹ and supports MC Mining’s strategy of being South Africa’s pre-eminent producer of hard coking coal which is used in the steel manufacturing process and attracts significantly higher sales prices compared to thermal coal.

Brenda Berlin, MC Mining’s Acting Chief Executive Officer commented:

“The granting of the Mopane Project mining right is a further step in unlocking value from MC Mining’s significant coking coal assets, positioning the GSP to be a potential long-term coking coal supplier to industrial users, both local and offshore, including the planned Musina-Makhado SEZ. The domestic and export Makhado Phase 1 and Phase 2 hard coking coal off-take agreements already in place reflect the market’s appetite for metallurgical coal.

¹ The GSP independent Competent Persons Report can be found on the Company’s website: <http://www.mcmining.co.za/our-business/projects/gsp-mbeu-yashu>

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Non-executive directors Andrew D Mifflin, Khomotso B. Mosehla, Shangren Ding, An Chee Sin, Brian H Zhen, Sebastiano Randazzo

The long-term development of the three GSP project areas is complementary to our flagship Makhado hard coking coal project, which is also in the Soutpansberg Coalfield. The Company has made significant progress in advancing Makhado and anticipates completing the Phase 1 capital raise process in Q1 CY2021, with the nine-month construction period commencing soon thereafter and first coal sales in H1 CY2022.”

Authorised by
Brenda Berlin
Acting Chief Executive Officer

This announcement has been approved by the Company’s Disclosure Committee.

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