



ANNOUNCEMENT

30 July 2021

ACTIVITIES REPORT FOR THE QUARTER ENDED 30 JUNE 2021

FOR

MC MINING LIMITED ("MC Mining" or the "Company") AND ITS SUBSIDIARY
COMPANIES

HIGHLIGHTS

- Health and safety remain a priority at MC Mining and its subsidiary companies, with one lost-time injury ("**LTI**") recorded during the quarter (FY2021 Q3: one LTI);
- Measures implemented to restrict the spread of the COVID-19 virus within the MC Mining group workplace are proving successful with only two employees (Q3 FY2021: nine) contracting the virus during the quarter;
- The Industrial Development Corporation of South Africa Limited ("**IDC**"), on 30 July 2021, confirmed the repayment date for the R160 million (\$11.3 million) loan plus accrued interest has been extended to 31 January 2022;
- The terminal drawdown date of the additional R245 million (\$17.3 million) IDC term loan for the development of Phase 1 of the Makhado hard coking coal project ("**Makhado Project**" or "**Makhado**"), was also extended to 31 January 2022, subject to the IDC re-affirming its financial due diligence;
- Run-of-mine ("**ROM**") coal production at the high grade Uitkomst metallurgical and thermal coal mine ("**Uitkomst Colliery**" or "**Uitkomst**") was 208% higher than the June 2020 quarter (FY2021 Q4: 127,927 tonnes ("**t**") vs. FY2020 Q4: 41,536t) due to the South African Government-imposed COVID-19 lockdown for a large part of the comparative period.
- 90,858t of coal sales during the quarter (FY 2020 Q4: 19,429t) comprising 84,834t (FY 2020 Q4: 16,707t) of high grade metallurgical and thermal coal and 6,024t (FY 2020 Q4: 2,722t) of lower grade middlings coal;
- The API4 coal price averaged \$105/t during the quarter compared to \$55/t in Q3 FY2020 and the price is forecast to remain high for the balance of CY2021 as the post-pandemic world economic recovery fuels greater demand for coal;

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- Revenue per tonne increased by 47% to \$84.91/t (FY2020 Q4: \$57.88/t) due to the much higher API4 coal prices recorded during the quarter (\$105/t vs. \$55/t);
- Limited activities were undertaken at the Company's Makhado Project, Vele semi-soft coking and thermal coal colliery ("**Vele Colliery**" or "**Vele**") and Greater Soutpansberg Projects ("**GSP**") during the quarter;
- Makhado Project composite debt/equity funding initiatives, including detailed due diligence processes, continued during the quarter; and
- Available cash at quarter-end was \$3.2 million (\$2.3 million at the end of March 2021) and restricted cash was \$0.03 million.

COMMENTARY

A number of parties are in advanced stages of their due diligence for the balance of the funding required to develop the Makhado Project. The Company remains confident that the parties taking part in the process will commit the necessary funds to complete the funding package.

The IDC reaffirmed their support for the Makhado Project by formally extending the repayment date of the existing R160 million (\$11.3 million) loan to 31 January 2022. The IDC also agreed to extend the terminal draw down date for the conditional R245 million (\$17.3 million) Makhado Project development term loan facility, to 31 January 2022, subject to the bank confirming its due diligence.

COVID-19

The health and safety of the MC Mining group's employees and its contractors is a priority and measures previously implemented to prevent the spread of COVID-19 remain in place. During the quarter, two Uitkomst employees tested positive for the virus (FY2021 Q3: nine positive tests). No positive COVID-19 cases were reported at the Makhado, Vele and GSP projects.

Uitkomst Colliery - Utrecht Coalfields (70% owned)

One LTI was recorded during the quarter (FY2021 Q3: one LTI).

The Uitkomst Colliery generated 127,927t of ROM coal during the quarter, 208% higher than in the comparative Q4 FY2020 period. Production during Q4 FY2020 was limited due to the South African Government-imposed lockdown, introduced to reduce the spread of COVID-19, that resulted in the temporary suspension of activities at the colliery and its customers.

Coal sales to Uitkomst's largest customer returned to normal levels during the quarter, following that customer experiencing equipment breakdowns during Q3 FY2021 and compared to lower sales levels during the comparative COVID-19 lockdown period in Q4 FY2020.

Sales of higher-value coal were therefore significantly above the Q4 2020 comparative period (84,834t vs. 16,707t). The Uitkomst Colliery also sold 6,024t of high ash middlings coal during the quarter (FY2020 Q4: 2,722t). The sales volumes during the quarter were augmented by the sale of coal stockpiles carried over from the preceding period and Uitkomst had 8,753t of saleable coal on hand at the end of the quarter (FY2021 Q3: 20,494t).

Increased global demand has led to the API4 export coal price recovery from the low prices experienced during the COVID-19 induced economic downturn in CY2020. Average US-dollar denominated API4 prices was 91% higher in the quarter (\$105/t vs \$55/t) and, as a consequence, Uitkomst's average revenue per tonne increased by 47% to \$84.91/t (FY2020 Q4: \$57.88/t) with this improvement somewhat offset by the strengthening of the rand against the dollar (FY2021 Q4: R14.14 vs. FY2020 Q4: R17.97 to US\$1.00).

Production costs per saleable tonne decreased 45% to \$56.74/t (FY2020 Q4: \$103.10/t). The significantly higher FY2020 Q4 comparative production costs were due to lower tonnes mined during the COVID-19 lockdown enforced mine closure.

	Quarter to end-Jun 2021	Quarter to end-Jun 2020	%▲
<i>Production tonnages</i>			
Uitkomst ROM (t)	127,927	41,536	208%
<i>Sales tonnages</i>			
Metallurgical and thermal coal (t)	84,834	16,707	408%
Middlings sales	6,024	2,722	121%

	Quarter to end-Jun 2021 90,858	Quarter to end-Jun 2020 19,429	%▲ 368%
Quarter financial metrics			
Revenue/t (\$)	84.91	57.88	47%
Revenue/t (ZAR)	1,201	1,040	15%
Production cost/saleable tonnes (\$) ^	56.74	103.10	(45%)

^ costs are all South African Rand based

Makhado Hard Coking Coal Project - Soutpansberg Coalfield (67% owned)

The fully permitted Makhado Project recorded no LTIs (FY2021 Q3: nil) during the quarter.

MC Mining's flagship Makhado Project has very favourable economics and its phased development is expected to deliver positive returns for shareholders. Makhado has a life-of-mine in excess of 46 years and the project would position MC Mining as South Africa's pre-eminent hard coking coal ("HCC") producer.

The IDC has provided longstanding financial support for the development of the Makhado Project and MC Mining has utilised an IDC loan of R160 million (\$11.3 million) to progress Makhado to its fully-permitted status and to partially fund the acquisition of the surface rights over the project area. The IDC is also a 6.7% shareholder in MC Mining subsidiary, Baobab Mining & Exploration (Pty) Ltd, the owner of the Makhado Project. The Company regularly interacts with the IDC as well as potential funders and, subsequent to the end of the quarter, the IDC extended the date for repayment of the R160 million loan plus interest, to 31 January 2022. The IDC also agreed to extend the terminal draw down date in respect of the conditional R245 million (\$17.3 million) term loan facility for the development of the Makhado Project, to 31 January 2022, subject to the bank confirming its financial due diligence. The Company and IDC are also continuing discussions with the objective of aligning repayment of the IDC facilities with the positive cash flows generated by Makhado.

DRA Projects (SA) (Pty) Ltd ("DRA") completed the initial Makhado Phase 1 capital estimate in October 2019. Given the lapse in time and the known rise in steel prices, the Company contracted DRA to review the Makhado Phase 1

development cost estimate during the quarter. This review was completed and resulted in a revised development cost estimate for Makhado Phase 1 of R650.5 million (\$46 million).

Vele Semi-Soft Coking and Thermal Coal Colliery - Limpopo (Tuli) Coalfield (100% owned)

The Vele Colliery remained on care and maintenance during the quarter and no LTIs were recorded during the period (FY2021 Q3: nil). The Vele processing plant is to be refurbished and recommissioned as part of Phase 1 development of the Makhado Project.

Greater Soutpansberg Project (GSP)- Soutpansberg Coalfield (74% owned)

GSP recorded no LTIs (FY2021 Q3: nil) during the quarter and no reportable activities occurred during the period.

Markets

The global economy continued to improve during the quarter, driving global demand for commodities following the spread of COVID-19 during H1 CY2020. This is reflected in the increased demand for South African thermal coal, with average API4 coal prices improving to \$105/t, 91% higher than the \$55/t recorded in Q4 FY2020 (FY2021 Q3: \$91/t). Demand for HCC also increased during the quarter and average prices were 19% higher than in the comparative period (\$134/t vs. \$112/t).

Appendix 5B - Quarterly Cash Flow Report

The cash position of the MC Mining group as at 30 June 2021 was \$3.2 million. The aggregate amount of payments to related parties and their associates as disclosed at item 6.1 of the June quarter Appendix 5B was \$34k, comprising executive director remuneration.

Sam Randazzo
Chief Executive Officer

This announcement has been approved by the Company's Disclosure Committee.
This announcement contains inside information for the purposes of Article 7 of Regulation 596/2014.

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Investec Bank Limited is the nominated JSE Sponsor

About MC Mining Limited:

MC Mining is an AIM/ASX/JSE-listed coal exploration, development and mining company operating in South Africa. MC Mining's key projects include the Uitkomst Colliery (metallurgical and thermal coal), Makhado Project (hard coking coal), Vele Colliery (semi-soft coking and thermal coal), and the Greater Soutpansberg Projects (coking and thermal coal).

All figures are denominated in United States dollars unless otherwise stated. Safety metrics are compared to the preceding quarter while financial and operational metrics are measured against the comparable period in the previous financial year. A copy of this report is available on the Company's website, www.mcmining.co.za.

Forward-looking statements

This Announcement, including information included or incorporated by reference in this Announcement, may contain "forward-looking statements" concerning MC Mining that are subject to risks and uncertainties. Generally, the words "will", "may", "should", "continue", "believes", "expects", "intends", "anticipates" or similar expressions identify forward-looking statements. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond MC Mining's ability to control or estimate precisely, such as future market conditions, changes in regulatory environment and the behaviour of other market participants. MC Mining cannot give any assurance that such forward-looking statements will prove to have been correct. The reader is cautioned not to place undue reliance on these forward-looking statements. MC Mining assumes no obligation and does not undertake any obligation to update or revise publicly any of the forward-looking statements set out herein, whether as a result of new information, future events or otherwise, except to the extent legally required.

Statements of intention

Statements of intention are statements of current intentions only, which may change as new information becomes available or circumstances change.

MC Mining has ensured that the mineral resources quoted are subject to good governance arrangements and internal control. The Company has engaged external independent consultants to update the mineral resource in accordance with the JORC Code 2012 and SAMREC 2016. The units of measure in this report are metric, with Tonnes (t) = 1,000kg. Technical information that requires subsequent calculations to derive subtotals, totals and weighted averages may involve a degree of rounding and consequently introduce an error. Where such errors occur MC Mining does not consider them to be material.

Tenements held by MC Mining and its Controlled Entities

Project Name	Tenement Number	Location	Interest	Change during quarter
Chapudi Project*	Albert 686 MS	Limpopo~	74%	
	Bergwater 712 MS		74%	
	Remaining Extent and Portion 2 of Bergwater 697 MS		74%	
	Blackstone Edge 705 MS		74%	
	Remaining Extent & Portion 1 of Bluebell 480 MS		74%	
	Remaining Extent & Portion 1 of Bushy Rise 702 MS		74%	
	Castle Koppies 652 MS		74%	
	Chapudi 752 MS		74%	
	Remaining Extent, Portions 1, 3 & 4 of Coniston 699 MS		74%	
	Driehoek 631 MS		74%	
	Remaining Extent of Dorps-rivier 696 MS		74%	
	Enfield 512 MS (consolidation of Remaining Extent of Enfield 474 MS, Brosdoorn 682 MS & Remaining Extent of Grootvlei 684 MS)		74%	
	Remaining Extent and Portion 1 of		74%	
	Grootboomen 476 MS		74%	
	Grootvlei 684 MS		74%	
	Kalkbult 709 MS		74%	
	Remaining Extent, Remaining Extent of Portion 2, Remaining Extent of Portion 3, Portions 1, 4, 5, 6, 7 & 8 of Kliprivier 692 MS		74%	
	Remaining Extent of Koodoobult 664 MS		74%	
	Koschade 657 MS (Was Mapani Kop 656 MS)		74%	
	Malapchani 659 MS		74%	
	Mapani Ridge 660 MS		74%	
	Melrose 469 MS		74%	
	Middelfontein 683 MS		74%	
	Mountain View 706 MS		74%	
	M'tamba Vlei 654 MS		74%	
	Remaining Extent & Portion 1 of Pienaar 635 MS		74%	
	Remaining Extent & Portion 1 of Prince's Hill 704 MS		74%	
	Qualipan 655 MS		74%	
	Queensdale 707 MS		74%	
	Remaining Extent & Portion 1 of Ridge End 662 MS		74%	

Project Name	Tenement Number	Location	Interest	Change during quarter
	Remaining Extent & Portion 1 of Rochdale 700 MS		74%	
	Sandilands 708 MS		74%	
	Portions 1 & 2 of Sandpan 687 MS		74%	
	Sandstone Edge 658 MS		74%	
	Remaining Extent of Portions 2 & 3 of Sterkstroom 689 MS		74%	
	Sutherland 693 MS		74%	
	Remaining Extent & Portion 1 of Varkfontein 671 MS		74%	
	Remaining Extent, Portion 2, Remaining Extent of Portion 1 of Vastval 477 MS		74%	
	Vleifontein 691 MS		74%	
	Ptn 3, 4, 5 & 6 of Waterpoort 695 MS		74%	
	Wilbebeesthoek 661 MS		74%	
	Woodlands 701 MS		74%	
Kanowna	M27/41	Coolgardie^	2.99%	
West and	M27/47		2.99%	
Kalbara	M27/59		2.99%	
	M27/72,27/73		2.99%	
	M27/114		2.99%	
	M27/181		7.24%	
	M27/196		2.99%	
	M27/414,27/415		2.99%	
	P27/1826-1829		2.99%	
	P27/1830-1842		2.99%	
	P27/1887		2.99%	
Abbotshall Royalty	ML63/409,410	Norseman^	Royalty	
Kookynie Royalty	ML40/061	Leonora^	Royalty	
	ML40/135,136		Royalty	
Makhado Project	Fripp 645 MS	Limpopo~	69%#	
	Lukin 643 MS		69%#	
	Mutamba 668 MS		69%#	
	Salaita 188 MT		69%#	
	Tanga 849 MS		69%#	
	Daru 889 MS		69%#	
	Windhoek 900 MS		69%#	
Generaal Project*	Beck 568 MS	Limpopo~	74%	
	Bekaf 650 MS		74%	
	Remaining Extent & Portion 1 of Boas 642 MS-		74%	
	Chase 576 MS		74%	
	Coen Britz 646 MS		74%	
	Fanie 578 MS		74%	
	Portions 1, 2 and Remaining Extent of Generaal 587 MS		74%	
	Joffre 584 MS		74%	

Project Name	Tenement Number	Location	Interest	Change during quarter
	Juliana 647 MS		74%	
	Kleinenberg 636 MS		74%	
	Remaining Extent of Maseri Pan 520 MS		74%	
	Remaining Extent and Portion 2 of Mount Stuart 153 MT		100%	
	Nakab 184 MT		100%	
	Phantom 640 MS		74%	
	Riet 182 MT		100%	
	Rissik 637 MS		100%	
	Schuitdrift 179 MT		100%	
	Septimus 156 MT		100%	
	Solitude 111 MT		74%	
	Stayt 183 MT		100%	
	Remaining Extent & Portion 1 of Terblanche 155 MT		100%	
	Van Deventer 641 MS		74%	
	Wildgoose 577 MS		74%	
Mopane Project*	Ancaster 501 MS	Limpopo~	100%	
	Banff 502 MS		74%	
	Bierman 599 MS		74%	
	Cavan 508 MS		100%	
	Cohen 591 MS		100%	
	Remaining Extent, Portions 1 & 2 of Delft 499 MS		74%	
	Dreyer 526 MS		74%	
	Remaining Extent of Du Toit 563 MS		74%	
	Faure 562 MS		74%	
	Remaining Extent and Portion 1 of Goosen 530 MS		74%	
	Hermanus 533 MS		74%	
	Jutland 536 MS		100%	
	Krige 495 MS		74%	
	Mons 557 MS		100%	
	Remaining Extent of Otto 560 MS (Now Honeymoon)		74%	
	Remaining Extent & Portion 1 of Pretorius 531 MS		74%	
	Schalk 542 MS		74%	
	Stubbs 558 MS		100%	
	Ursa Minor 551 MS		74%	
	Van Heerden 519 MS		74%	
	Portions 1, 3, 4, 5, 6, 7, 8, 9, Remaining Extent of Portion 10, Portions 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 26, 27, 29, 30, 35, 36, 37, 38, 39, 40, 41, 44, 45, 46, 48, 49, 50, 51, 52 & 54 of Vera 815 MS		74%	

Project Name	Tenement Number	Location	Interest	Change during quarter
	Remaining Extent of Verdun 535 MS		74%	
	Voorburg 503 MS		100%	
	Scheveningen 500 MS		74%	
Uitkomst Colliery and prospects	Portion 3 (of 2) of Kweekspruit No. 22	KwaZulu-Natal~	70%	
	Portion 8 (of 1) of Kweekspruit No. 22		70%	
	Remainder of Portion 1 of Uitkomst No. 95		70%	
	Portion 5 (of 2) of Uitkomst No. 95		70%	
	Remainder Portion1 of Vaalbank No. 103		70%	
	Portion 4 (of 1) of Vaalbank No. 103		70%	
	Portion 5 (of 1) of Vaalbank No. 103		70%	
	Remainder of Portion 1 of Rustverwacht No. 151		70%	
	Remainder of Portion 2 of Rustverwacht No. 151		70%	
	Remainder of Portion 3 (of 1) of Rustverwacht No. 151		70%	
	Portion 4 (of 1) Rustverwacht No.151		70%	
	Portion 5 (of 1) Rustverwacht No. 151		70%	
	Remainder of Portion 6 (of 1) of Rustverwacht No. 151		70%	
	Portion 7 (of 1) of Rustverwacht No. 151		70%	
	Portion 8 (of 2) of Rustverwacht No. 151		70%	
	Remainder of Portion 9 (of 2) of Rustverwacht No. 151		70%	
	Portion 11 (of 6) of Rustverwacht No. 151		70%	
	Portion 12 (of 9) of Rustverwacht No. 151		70%	
	Portion 13 (of 2) of Rustverwacht No. 151		70%	
	Portion 14 (of 2) of Rustverwacht No. 151		70%	
	Portion 15 (of 3) of Rustverwacht No. 151		70%	
	Portion 16 (of 3) of Rustverwacht No. 151		70%	
	Portion 17 (of 2) of Rustverwacht No. 151		70%	

Project Name	Tenement Number	Location	Interest	Change during quarter
	Portion 18 (of 3) of Waterval No. 157		70%	
	Remainder of Portion 1 of Klipspruit No. 178		70%	
	Remainder of Portion 4 of Klipspruit No. 178		70%	
	Remainder of Portion 5 of Klipspruit No. 178		70%	
	Portion 6 of Klipspruit No. 178		70%	
	Portion 7 (of 1) of Klipspruit No. 178		70%	
	Portion 8 (of 1)of Klipspruit No. 178		70%	
	Portion 9 of Klipspruit No. 178		70%	
	Remainder of Portion 10 (of 5) of Klipspruit No. 178		70%	
	Portion 11 (of 5) of Klipspruit No. 178		70%	
	Portion 13 (of 4) of Klipspruit No. 178		70%	
	Remainder of Portion 14 of Klipspruit No. 178		70%	
	Portion 16 (of 14) of Klipspruit No. 178		70%	
	Portion 18 of Klipspruit No. 178		70%	
	Portion 23 of Klipspruit No. 178		70%	
	Remainder of Portion 1 of Jackalsdraai No. 299		70%	
	Remainder of Jericho B No. 400		70%	
	Portion 1 of Jericho B No. 400		70%	
	Portion 2 of Jericho B No. 400		70%	
	Portion 3 of Jericho B No. 400		70%	
	Remainder of Jericho C No. 413		70%	
	Portion 1 of Jericho C No. 413		70%	
	Remainder of Portion 1 of Jericho A No. 414		70%	
	Remainder of Portion 2 (of 1) of Jericho A No. 414		70%	
	Portion 3 (of 1) of Jericho A No. 414		70%	

Project Name	Tenement Number	Location	Interest	Change during quarter
	Portion 4 (of 1) of Jericho A No. 414		70%	
	Portion 5 (of 2) of Jericho A No. 414		70%	
	Portion 6 (of 1) of Jericho A No. 414		70%	
	Margin No. 420		70%	
Vele Colliery and prospects	Portions of Overvlakte 125 MS (Remaining Extent, 3, 4, 5, 6, 13, 14)	Limpopo~	100%	
	Bergen Op Zoom 124 MS		100%	
	Semple 155 MS		100%	
	Voorspoed 836 MS		100%	
	Alyth 837 MS		100%	
Tshikunda	Certain portions of Unsurveyed State Land known as Mutale	Limpopo~	60%	
* Form part of the Greater Soutpansberg Projects				
~ Tenement located in the Republic of South Africa				
^ Tenement located in Australia				
# MC Mining's interest will reduce to 67% on completion of the 26% Broad Based Black Economic Empowerment (BBBEE) transaction				