



ANNOUNCEMENT

1 March 2022

Company Update Makhado Land Acquisition – Final Instalment Paid

On 11 January 2022, MC Mining Limited (**MC Mining** or the **Company**) announced that its subsidiary, Baobab Mining & Exploration (Pty) Ltd (**Baobab**) and the vendor of the Lukin and Salaita properties, being the key surface rights for the Makhado hard coking coal project (**Makhado Project** or **Makhado**), agreed to extend the due date for payment of the balance owing of ZAR35 million (US\$2.3 million), to 28 February 2022.

MC Mining is now pleased to announce that the final instalment of ZAR35 million has been paid by Baobab and the vendor held mortgages over the properties are in the process of being released.

The ZAR35 million payment was sourced from funds advanced under the staged ZAR86 million (approximately US\$5.7 million or A\$7.8 million) Convertible Advance and Subscription Agreement (the **Agreement**) with South African based mining group, Senosi Group Investment Holdings Proprietary Limited (**SGIH**), announced by the Company on 1 February 2022. MC Mining has already developed a positive working relationship with SGIH and its successful track record of developing and operating coal mines in South Africa is of great significance as the Company moves closer to finalising a funding package to develop the Makhado Project.

To date, SGIH has advanced ZAR40 million (US\$2.6 million) to the Company on time and in full compliance with the Agreement. An additional ZAR6,036,691 (US\$0.4 million) is due to be advanced by 31 March 2022 and, subject to approval of South Africa's Reserve Bank, the total advances of ZAR46,036,691 will convert into 38,363,909 new ordinary MC Mining shares at ZAR1.20 per share. This will result in SGIH owning 19.9% of the Company's total issued share capital. The issue price of ZAR1.20 per share represents a premium of 15% above the Company's JSE closing share price on 28 February 2022.

SGIH has also agreed to advance an additional ZAR40 million to the Company between April and July 2022 which is to convert into 33,333,333 new ordinary shares at ZAR1.20 per share, subject to the receipt of all required approvals, including the approval of MC Mining's shareholders.

As announced on 28 January 2022, the Industrial Development Corporation of South Africa Limited (**IDC**) agreed to extend the repayment date for the R160 million (US\$10.5 million) loan, plus accrued interest, to 30 November 2022. The IDC also agreed to extend the terminal drawdown date of the additional R245 million (US\$16.1 million) IDC term loan for the development of Phase 1 of Makhado, to 30 November 2022, subject to the IDC re-affirming its due diligence.

Mr Sam Randazzo, MC Mining's interim CEO, commented:

"Payment of the final instalment of ZAR35 million and the release of security over key surface rights for the Makhado Project is a significant breakthrough for MC Mining. This, together with the funding provided by SGIH and the IDC's commitment, has the Company well placed and in the best position it has been for several years to finalise the funding package required to develop the Makhado Project."

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Chairman Bernard R. Pryor CEO/Director Sebastiano (Sam) Randazzo

Non-executive directors Andrew D. Miffilin, Khomotso B. Moshela, Junchao Liu, An Chee Sin, Brian H Zhen

This announcement contains inside information for the purposes of Article 7 of Regulation 596/2014 as amended by the Market Abuse (Amendment) (EU Exit) Regulations 2019.

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

ASX: MCM / AIM: MCM.L / JSE: MCZ

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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).

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