



29 July 2022

Nicola Mullen
Adviser, Listings Compliance (Perth)
ASX Compliance

Dear Nicola

MC Mining | Response to ASX Price Query

I refer to your letter dated 28 July 2022 regarding the recent trading in MC Mining Limited's (the **Company**) shares on the financial market operated by ASX. I also refer to the attached Statement re Share Price Movement which forms part of this response.

In responding to your queries, the Company has adopted, for your convenience, your numbering:

1. Yes. The Company refers to its announcement dated Thursday, 28 July 2022 disclosing that it has entered into a Coal Sales & Marketing Agreement with Overlooked (Proprietary) Limited (**Overlooked**) (**Agreement**). This announcement was released on AIM and JSE after the close of trading on ASX on Thursday, 28 July 2022.

The Agreement provides for the sale by the Company of at least 20,000 tonnes of coal per month from the Company's Uitkomst Colliery at API4-linked, US dollar denominated coal prices. The sale of this coal will be facilitated by Overlooked as it has access to export allocations at various South African coal ports.

However, and while disclosure of the Agreement would be expected to have a material effect on the price or value of the Company's shares, the Company does not believe that advanced knowledge of the arrangements the subject of the Agreement contributed to the Company's share price gains on ASX on Thursday, 28 July 2022.

This is because:

- a. the Agreement was signed after the close of trading on ASX on Thursday, 28 July 2022; and
- b. the small number of persons that were involved in the negotiation of the Agreement were subject to strict confidentiality and standstill restrictions.

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Chairman Nhlanhla Nene **CEO & Managing Director** Godfrey Gomwe

Non-executive directors An Chee Sin, Andrew Mifflin, Brian He Zhen, Junchao Liu, Khomotso Mosehla, Mathews Senosi

The Company also refers to the attached announcement (also) dated Thursday, 28 July 2022 in which it advised the market that:

- a. the Company has been progressing various fundraising initiatives in relation to the funding of the further development of its majority owned Makhado coal project; and
- b. the Company has commissioned further optimisation studies in relation to Makhado following its positive BFS (as to which, please see the Company's announcement dated 14 April 2022).

The Company is not of the opinion that the subject of this subsequent announcement contributed to the Company's share price gains on ASX on Thursday, 28 July 2022 either, because:

- a. there has been no agreement, binding commitment or decision by the Company in relation to any particular fundraising initiative (i.e., the arrangements in contemplation by the Company, while progressing and in an advanced stage, are incomplete and/or insufficiently definite to warrant disclosure at this time); and
 - b. the optimisation studies being conducted by the Company's technical consultant in relation to its Makhado coal project are still being progressed and, as such, have not been finalised (i.e., while these studies are well underway and are expected to be positive, they have not been completed and/or yielded any particular findings or recommendations).
2. In response to Question 2, the Company refers to the information provided above and re-iterates that an announcement regarding the Coal Sales and Marketing Agreement was made as soon as the Agreement was a completed proposal. The Company has also made a subsequent announcement regarding the advancement of various fundraising initiatives and performance initiatives.
 3. The Company notes that the price of its shares on ASX has, in recent weeks, been trading at a substantial discount (even after adjusting for the impact of foreign exchange rates) to the price of its shares on the JSE. As such, the Company believes that trading activity designed to take advantage of the price discrepancy between the two exchanges (noting that the market for the Company's shares on ASX is relatively illiquid) may have been a contributing factor to Thursday's share price appreciation on ASX. The Company further notes that the increase in price of its shares on ASX on Thursday, 28 July 2022, while substantial in percentage terms, was caused by a relatively small number of trades and was on reasonably small turnover.

4. The Company confirms that it is in compliance with the ASX Listing Rules and, in particular, ASX Listing Rule 3.1.
5. The Company confirms that its responses set out above have been authorised and approved by the Company's board of directors or an officer with delegated authority.

For and on behalf of
MC Mining Limited

A handwritten signature in black ink, appearing to be 'Tony Bevan', with a horizontal line extending to the right.

Tony Bevan
Company Secretary



ANNOUNCEMENT

28 July 2022

**STATEMENT RE SHARE PRICE MOVEMENT
CAUTIONARY ANNOUNCEMENT**

MC Mining Limited (**MC Mining** or the **Company**) notes the recent share price rise and provides the following update. As previously announced, the Company is advancing the funding processes for the Makhado hard coking coal project (**Makhado** or the **Makhado Project**) and targets concluding this during Q3 CY2022. The funding is expected to include a combination of debt and an equity issue by the Company, and the Bankable Feasibility Study (**BFS**) completed by Minxcon (Pty) Ltd (**Minxcon**) in April 2022 (and advised to the market on 14 April 2022) was a key milestone in progressing such funding. The Makhado development plan in the BFS was designed to minimise the upfront capital expenditure by utilising existing infrastructure at the Vele Colliery. This included modifying the existing coal processing plant (**CPP**) at the Vele Colliery, currently on care and maintenance, allowing it to simultaneously produce hard coking coal (**HCC**) and export quality thermal coal.

The Company has subsequently mandated Minxcon to expand the BFS to include alternative development plans to enhance value. These include, amongst others, the moving of the Vele CPP to Makhado or the construction of a new CPP at Makhado, and this additional work on the BFS is ongoing, and a further announcement will be made in the coming weeks. The construction of a CPP at Makhado allows alternative development opportunities at Vele which the Company is also investigating.

MC Mining has ongoing performance improvement initiatives at its high-grade Uitkomst metallurgical and thermal colliery. This included the alternative product production as well as associated marketing strategies resulted in the 28 July 2022 announcement detailing the Sales & Marketing Agreement with Overlooked Collieries Proprietary Limited.

Should any of the various processes outlined above be pursued and concluded, it may have a material effect on the price of the Company's securities and further announcements will be made in due course, as appropriate. Shareholders should note that there can be no certainty of any such initiatives

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ultimately being secured. Accordingly, shareholders are advised to exercise caution when dealing in their MC Mining securities until further announcements are made.

Godfrey Gomwe
Managing Director and Chief Executive Officer

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

For more information contact:

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Company advisors:			
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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.

[This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014, as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended).]



28 July 2022

Reference: 55798

Mr Tony Bevan
Company Secretary
MC Mining Limited

By Email: tonyb@endeavourcorp.com.au

Dear Mr Bevan

MC Mining Limited ('MCM'): Price - Query

ASX refers to the following:

- A. The change in the price of MCM's securities from a low of \$0.14 yesterday, 27 July 2022 to a high of \$0.245 today, 28 July 2022.

Request for information

In light of this, ASX asks MCM to respond separately to each of the following questions and requests for information:

1. Is MCM aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes".
 - (a) Is MCM relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in MCM's securities would suggest to ASX that such information may have ceased to be confidential and therefore MCM may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that MCM may have for the recent trading in its securities?
4. Please confirm that MCM is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that MCM's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of MCM with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **7.30 AM AWST Friday, 29 July 2022**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall

within the exceptions mentioned in Listing Rule 3.1A, MCM's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require MCM to request a trading halt immediately.

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in MCM's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in MCM's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to MCM's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that MCM's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Nicola Mullen
Adviser, Listings Compliance (Perth)