ANNOUNCEMENT 15 March 2018

HALF YEAR RESULTS FOR THE PERIOD ENDING 31 DECEMBER 2017

MC Mining Limited ("**MC Mining**", "**MCM**" or "**the Company**") is pleased to provide its interim financial statements for the year ended 31 December 2017 (the "**Period**"). All figures are denominated in United States dollars unless otherwise stated and the full report is available on the Company's website, www.mcmining.co.za.

Highlights

- No fatalities and no lost-time injuries ("**LTIs**") recorded during the Period (2017: none);
- The Uitkomst metallurgical and thermal coal colliery ("**Uitkomst Colliery**" or "**Uitkomst**") processed 346,336 tonnes ("**t**") of run of mine ("**ROM**") coal during the period, resulting in sales of 308,275t;
- MC Mining Board approval of the Makhado hard coking coal 'Lite' evaluation project ("**Makhado Project**" or "**Makhado**"), has significantly reduced expected capital requirements and the construction period;
- Commencement of the Competent Persons Report ("**CPR**") on the Makhado Project by independent expert Minxcon (Proprietary) Limited ("**Minxcon**"); and
- Vele coking and thermal coal colliery ("**Vele**") remained on care and maintenance.

Corporate and market features

- Delivery on MCM's balance sheet restructuring strategy with the sale of the Mooiplaats thermal coal colliery ("**Mooiplaats Colliery**" or "**Mooiplaats**") for R179.9 million ($14.5 million);
- Change of the Company's name to MC Mining Limited and a 20 for one share consolidation (the "**Consolidation**") as approved by shareholders at the November 2017 Annual General Meeting ("**AGM**"); and
- Positive coking and thermal coal price movements during the Period, principally due to market supply constraints.

Financial review

- The loss for the Period of $97.34 million (H1 FY2017: loss of $12.97 million) included an $87.5 million impairment of the Vele asset; and
- Cash balance of $10.2 million (H1 FY2017: $7.2 million; FY2017: $9.6 million).

David Brown, CEO commented:

"The Company recorded significant progress during the Period with production from the Uitkomst Colliery, further advancement of the Makhado Project, as well as the sale of the non-core Mooiplaats asset. These successful initiatives were key milestones to ensure MC Mining becomes a self-sufficient mid-tier coal mining company."

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"The Mooiplaats disposal will yield annual operational cost savings of approximately $1.4 million while the aggregate proceeds of $14.5 million will be used to further develop our flagship Makhado Project and/ or the potential acquisition of a second cash generating asset."

"Makhado has the requisite regulatory approvals to commence mining and the Company continues its efforts to secure access to two key properties for the completion of confirmatory geotechnical drilling. The Company anticipates that this will be resolved in H2 FY2018 with the marketing and fundraising elements being progressed in H1 FY2019. The shortened construction period ensures Makhado is positioned to take advantage of higher hard coking and thermal coal prices, delivering positive returns for shareholders in the near term."

"The recent political developments in South Africa have resulted in a much stronger currency, particularly against the United States dollar. The change in economic climate together with the Company prioritising the development of the Makhado Project, resulted a $87.5 million impairment in its investment in Vele and the positioning of the colliery within MC Mining's portfolio will be finalised before the end of the current financial year."

Review of Operations

Uitkomst Colliery – Utrecht Coalfields (100% owned - 70% post BEE transactions)
The Uitkomst Colliery employs approximately 573 employees (including contractors) and reported no LTIs during the Period.

The Company acquired a 91% interest in the Uitkomst Colliery at the end of June 2017, with the remaining 9% held by broad-based Black Economic Empowerment ("**BEE**") trusts, including employees and communities.

Uitkomst comprises the existing underground coal mine and a planned life of mine ("**LOM**") extension directly to the north of current operations, totalling 16 years remaining LOM. The LOM extension requires the development of a north adit (horizontal shaft) and the colliery has applied for an amendment of its Integrated Water Use Licence ("**IWUL**") prior to commencing this expansion. Uitkomst sells sized coal (peas) products to local energy generation facilities with the 0 to 40mm product sold into the domestic metallurgical market for use as pulverised coal.

The Uitkomst Colliery processed 346,336t of ROM coal during the Period, comprising 265,609t of Uitkomst ROM coal and 80,727t of purchased ROM. This resulted in sales of 308,275t, consisting of 174,948t of Uitkomst ROM, 53,690t of slurry used for blending and 79,637t of purchased ROM coal.

Revenue in US dollars totalled $17.0 million and was positively impacted in the second quarter by improved international coal prices and a weaker exchange rate.

	September 2017 quarter (t)	December 2017 quarter (t)	H1 FY2018 (t)
Production tonnages			
Uitkomst ROM	125 108	140 501	265 609
Purchased ROM to blend	45 313	35 414	80 727
	170 421	***175 915***	***346 336***
Sales tonnages			
Own ROM	80 677	94 271	174 948

	September 2017 quarter (t)	December 2017 quarter (t)	H1 FY2018 (t)
Slurry used for blending	36 489	17 201	53 690
Purchased ROM to blend	48 266	31 371	79 637
	165 432	***142 843***	***308 275***
Financial metrics			
Revenue/t ($)	50.03	61.09	55.14
Production cost/ saleable tonnes ($)	43.20	43.47	43.32

In order to meet the requirements of the South African Mining Charter, the Company is in the process of selling an additional 21% interest in Uitkomst to BEE shareholders on a vendor finance basis. The transaction is expected to be concluded prior to 30 June 2018.

Makhado Coking Coal Project – Soutpansberg Coalfield (95% owned - 69% post BEE transactions)

The Makhado Project recorded no LTIs during the Period.

The Directors of MC Mining approved the revised evaluation plan for the Makhado 'Lite' project in September 2017, to unlock near-term shareholder value from its flagship project. The plan reduces capital expenditure and shortens the construction period to 12 months, with a 46 year LOM and potential for future expansion of mining and processing if appropriate.

The Makhado Project has all the regulatory permits required to commence mining but requires access to the key Lukin and Salaita farms to confirm geotechnical information prior to the construction of the colliery. These properties are subject to the South African government's land claims processes and the Company anticipates that this will be resolved in H2 FY2018.

During the Period, MC Mining engaged independent mining experts Minxcon to complete a CPR on the Makhado Project. The results were received in January 2018 and confirmed the figures relating to costs, capital expenditure and returns previously released to the market. The Company has commenced hard coking and export thermal coal off-take discussions with various parties and expects that a substantial portion of Makhado's hard coking coal will be sold locally with the balance sold on international markets.

The South African Government is actively facilitating industrial development and gazetted the South Africa Energy Metallurgy Special Economic Zone ("**SEZ**") 40km south of Musina, during September 2017. The SEZ will include a coal-fired power plant, coking coal batteries as well as steel and stainless steel plants. The Company anticipates that the SEZ could take three to five years to develop.

Vele Coking and Thermal Coal Colliery – Limpopo (Tuli) Coalfield (100% owned)
The Vele Colliery remained on care and maintenance throughout the Period and no LTIs were recorded during this time.

The original Vele Colliery IWUL was renewed in January 2016 for a further 20 years, and also amended in line with the requirements for the colliery's Plant Modification Project. Post the Period-end, in February 2018, the South African Department of Water and Sanitation granted the IWUL amendment, completing the suite of regulatory authorisations required for the Vele Colliery.

The significant political changes that occurred towards the end of the Period, resulting in strengthening of the rand against the dollar, led to an impairment indicator on the Vele carrying value. This rand strength, coupled with a delay in production due to the Makhado Project focus, resulted in the carrying value of Vele being impaired by $87.5 million during the Period.

Greater Soutpansberg Project (MbeuYashu) – Soutpansberg Coalfield (74% owned)
The MbeuYashu Project recorded no LTIs during the six months.

Corporate
Mooiplaats Disposal
MC Mining has made significant progress in the restructuring of its balance sheet, including the sale of the underground Mooiplaats Colliery that had been on care and maintenance since 2013. The colliery was sold to Mooiplaats Coal Holdings Proprietary Limited for $12.9 million (ZAR179.9 million). The purchase price will be settled as follows:

- $4.8 million (ZAR67.0 million) was received in November 2017; and

- The balance, being $9.1 million (ZAR112.9 million), to be settled in ten equal quarterly instalments, subject to the incorporation of Portions 2, 3 and the remaining extent of the farm Klipbank 295 IT into the Mooiplaats Colliery New Order Mining Right.

Corporate Actions
At the November 2017 AGM, shareholders approved the renaming of the Company to reflect its potential growth, particularly of its hard coking (metallurgical) coal prospects. This resulted in the Company changing its name to 'MC Mining Limited'. This was accompanied by a change in the Company's ticker on the Australian Securities Exchange and AIM Market of the London Stock Exchange to 'MCM', while MC Mining's shares trade under the MCZ ticker on the Johannesburg Stock Exchange. Shareholders also approved a 20-for-1 consolidation of the Company's issued capital and the Consolidation was completed in December 2017.

Financial review

The loss for the six-month Period was $97.34 million (H1 2017: loss of $12.97 million) or 78.39 US cents per share compared to a loss of $12.97 million, or 13.68 US cents per share for the prior corresponding period. The loss for the Period includes:

- Revenue from Uitkomst of $17.0 million (H1 FY2017: nil) and cost of sales of $14.36 million (H1 FY2017: NIL), resulting in a gross profit of $2.7 million (2017: nil);
- An impairment of the Vele assets of $87.5 million and the reversal of a $3.1 million prior year impairment arising from the sale of Mooiplaats;
- In the comparative period, intangible assets were impaired by $10.6 million due to the Company deciding not to renew its port capacity through the Matola terminal;
- De-recognition of the Vele deferred tax asset of $5.6 million and an income tax expense of $1.3 million;
- Net foreign exchange losses of $1.3 million (2016: gain of $2.9 million) arising from the translation of inter-group loan balances, borrowings and cash due to changes in the ZAR:US$ and A$:US$ exchange rates during the period;
- Employee benefit expense of $3.9 million (H1 FY2017: expense: $2.5 million)
- Other expenses of $2.7 million (H1 FY2017: $2.3 million); and
- Depreciation of $0.2 million (H1 FY2017: $0.2 million) and amortisation of nil (H1 FY2017: $0.4 million).

Authorised by
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About MC Mining Limited:

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

Forward-Looking Statements

This Announcement, including information included or incorporated by reference in this Announcement, may contain "forward-looking statements" concerning MC Mining Limited (MCM) 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 MCM's ability to control or estimate precisely, such as future market conditions, changes in regulatory environment and the behaviour of other market participants. MCM 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. MCM assumes no obligation and do 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.