



ANNOUNCEMENT

16 August 2018

UITKOMST ASSET FINANCE BANKING FACILITY SECURED

MC Mining Limited (the “**Company**”) which operates in South Africa, is pleased to announce that its 70% owned Uitkomst Colliery (“**Uitkomst**” or the “**Colliery**”) has procured a revolving asset finance facility (the “**Facility**”) from ABSA Bank Limited (“**ABSA**”), one of South Africa’s major financial service providers. Uitkomst intends to utilise the Facility to finance the acquisition of new underground mining equipment following the transition to owner-operated mining at the Colliery on 1 August 2018.

The rolling five-year, R15 million (US\$1.0 million) Facility is subject to a floating coupon at the South African Prime rate (currently 10.0% per annum) plus 0.5% and is secured by the mining equipment purchased.

As previously announced on 2 August 2018, Uitkomst acquired the independent mining contractor Khethekile Mining (Pty) Ltd’s (“**Khethekile**”) business operations at the Colliery for a total cost of R65 million (US\$4.4 million). The underground mining operations had previously been undertaken by Khethekile and in terms of a Sale of Business Agreement, Uitkomst acquired all of Khethekile’s mining equipment (including conveyor systems and coal mining and transportation equipment) and took transfer, in accordance with section 197 of the Labour Relations Act of South Africa, of some 340 Khethekile employees working at the Colliery and at Khethekile’s Newcastle offices.

David Brown, MC Mining’s Chief Executive Officer commented:

“The ABSA Facility reflects the growing confidence that financial institutions have in MC Mining and the execution of our strategy. The acquisition of new mining equipment and integration of the recently acquired underground mining operations will result in improved equipment availability and contribute to the production enhancement initiatives at the Colliery, ensuring Uitkomst is positioned to benefit from prevailing higher international coal prices.”

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Non-executive directors Peter G. Cordin, Andrew D. Mifflin, Khomotso B. Mosehla, Thabo F. Mosololi, Shangren Ding, An Chee Sin, Brian He Zhen

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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. 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 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.

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