



ANNOUNCEMENT

6 September 2018

HEADS OF AGREEMENTS FOR THE MAKHADO PROJECT FUNDING AND ASSOCIATED EPC AND MINING CONTRACTS

MC Mining Limited (“**MC Mining**” or the “**Company**”) has signed Heads of Agreements (“**HOAs**”) with leading international Chinese construction enterprise, China Railway International Group Co., Ltd. (“**CRIG**”). CRIG is the international focused division of China Railway Group, a leading global construction company listed in Shanghai and Hong Kong.

Under the terms of the HOAs, the Company and CRIG have agreed to negotiate a package that comprises the engineering, procurement and construction (“**EPC**”) for the Makhado hard coking and thermal coal project (“**Makhado Project**”) coal handling and processing plant, financing for 85% of the EPC costs and contract mining operations, conditional upon the finalisation of terms and conditions by June 2019. These include completion of the Makhado front end engineering and design study and agreement on the EPC contract price by both parties, as well as appropriate funding provided on acceptable terms.

The development of the Makhado Project is expected to facilitate economic growth in the Limpopo province and the Company will keep the market apprised on further progress with regards to the ongoing discussions with CRIG. Off-take discussions for hard coking and export thermal coal production from Makhado are ongoing with various parties.

David Brown, CEO commented:

“This is an extremely positive move as it represents international recognition for the world class nature of the Makhado Project.”

Authorised by
David Brown
Chief Executive Officer

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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.

