



ANNOUNCEMENT

7 November 2018

UITKOMST COLLIERY SECURES A PRIMARY LENDING BANKING FACILITY

MC Mining Limited (“**MC Mining**”), operating in South Africa, is pleased to announce that its 70% owned Uitkomst Colliery (“**Uitkomst**” or the “**Colliery**”) has secured a R20 million (approximately \$1.4 million) facility (the “**Facility**”) from ABSA Bank Limited (“**ABSA**”). ABSA is a major South African financial services provider and the Facility is in addition to the R20 million Rand Merchant Bank facility announced in June 2018.

Uitkomst transitioned to an owner-operated mine in August 2018 with the acquisition of the independent underground mining contractor’s business operations, which included mining equipment and the transfer of approximately 340 contractor employees. Following this, the Colliery secured a five year, R15 million, asset finance facility from ABSA, used to finance new underground mining equipment.

The cash flows generated by Uitkomst are greater than envisaged when the Colliery was acquired in June 2017 and the Facility will be used to fund short-term working capital requirements and potential expansion opportunities. The Facility has a floating coupon at the South African Prime rate (currently 10.0% per annum) plus 1.0%, with Uitkomst debtors ceded as security and is subject to annual review.

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

“The Facility further enhances our relationship with ABSA and is an endorsement by an independent financial institution of the potential of Uitkomst Colliery and its ability to deliver on tonnage targets coupled with prevailing favourable coal prices. In addition, MC Mining continues to progress with various initiatives relating to the Makhado hard coking and thermal coal project with further updates to come.”

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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 and thermal 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.

Regulatory

This announcement is inside information for the purposes of Article 7 of Regulation 596/2014.

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