

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

MC Mining Limited

### ABN

98 008 905 388

### Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows	Current quarter \$USD'000	Year to date (3 months) \$USD'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	5,841	5,841
1.2 Payments for		
(a) exploration & evaluation	(750)	(750)
(b) development	-	-
(c) production	(5,351)	(5,351)
(d) staff costs	(908)	(908)
(e) administration and corporate costs	(1,105)	(1,105)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	52	52
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,221)</b>	<b>(2,221)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:	-	-
(a) property, plant and equipment	(162)	(162)
(b) tenements (see item 10)	-	-
(c) investments	(174)	(174)
(d) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$USD'000</b>	<b>Year to date (3 months) \$USD'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	1,187	1,187
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)-deferred consideration payment on acquisitions	(1,098)	(1,098)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(247)</b>	<b>(247)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(252)	(252)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(180)	(180)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(432)</b>	<b>(432)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	8,843	8,843
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,221)	(2,221)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(247)	(247)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(432)	(432)
4.5	Effect of movement in exchange rates on cash held	(693)	(693)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>5,250</b>	<b>5,250</b>

5.	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$USD'000</b>	<b>Previous quarter \$USD'000</b>
5.1	Bank balances	5,217	8,808
5.2	Call deposits	33	35
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>5,250</b>	<b>8,843</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$USD'000**

279

Salary payments for the quarter made to the Executive directors and director fees paid to the Non-Executive directors.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$USD'000**

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8.	<b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$USD'000</b>	<b>Amount drawn at quarter end \$USD'000</b>
8.1	Loan facilities	15,820	7,910
8.2	Credit standby arrangements		
8.3	Other (please specify)	2,301	983
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

\$USD7.9 million facility of the \$USD 15.8 million provided by the Industrial Development Corporation of South Africa to the company's subsidiary is still available for drawdown. The loan is payable on the third anniversary of each advance plus a real after tax rate of return of 16% on the advanced amount.

The \$USD 2.3 million facility was secured during the 2019 financial year, from ABSA Bank. \$USD 1.3 million of the facility is for short-term working capital requirements and potential expansion opportunities. The \$USD1.3 million has a floating coupon at the South African Prime rate (currently 10.0% per annum) plus 1.0%, with the operating mine Uitkomst Colliery debtors ceded as security. The facility is subject to annual review. This facility was undrawn at the end of the quarter.


The balance of the \$USD2.3 million relates to an equipment lease facility that has been utilised. The lease facility has a five-year term at the South Africa prime interest rate (currently 10% per annum)

9.	<b>Estimated cash outflows for next quarter</b>	<b>\$USD'000</b>
9.1	Exploration and evaluation	-
9.2	Development	-
9.3	Production	(5,344)
9.4	Staff costs	(1,705)
9.5	Administration and corporate costs	(1,295)
9.6	Other	(811)
9.7	<b>Total estimated cash outflows</b>	<b>(9,155)</b>

10.	<b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

(Company secretary)

Date: .31 October 2019

Print name: Tony Bevan

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.