

**MARKET UPDATE**

MC Mining Limited ("MC Mining" or the "Company") is pleased to provide an update with regards to the impact on the Company of the global COVID-19 pandemic. MC Mining remains focused on taking the necessary precautions to prevent the spread COVID-19 and reducing the threat to our employees, contractors and stakeholders.

**Operations at the Uitkomst Colliery**

The South African Government directive dated 23 April 2020 provided for a phased, risk-based approach to reducing restrictions from level 5 to level 4 from 1 May 2020 (refer Company announcement dated 5 May 2020).

The Level 4 restrictions allowed the Company to restart operations at its high-grade Uitkomst metallurgical and thermal coal mine ("**Uitkomst Colliery**" or "**Uitkomst**") on 4 May 2020, subject to the following limitations:

1. Utilisation of 50% of that mine's labour capacity;
2. Adherence to detailed health and safety protocols; and
3. Introduction of workplace plans to enable disease surveillance at site and prevent the spread of infection.

The Company is pleased to report the Uitkomst Colliery has successfully ramped-up production to the stipulated 50% labour capacity level since recommencing operations.

The Company is also pleased to report strong customer demand for its products.

**Effects of the Level 4 restrictions on MC Mining's other sites**

Activities at the Company's Makhado, Vele and Greater Soutpansberg Projects will remain closed until the South African government eases restrictions further. The 'no work, no pay' policy for non-essential staff remains in place, although a portion of wages continues to be paid to affected staff by the Government's Temporary Employee/Employer Relief Scheme. Where practical, the work-from-home policy will remain in place for essential staff until there is a further easing of lockdown restrictions.

#### **Loan facilities**

The Company is in continuing negotiations with MC Mining Group financiers, including the Industrial Development Corporation of South Africa Limited, regarding drawdown from existing facilities, potential new finance facilities (refer Company announcement dated 5 May 2020) and deferment of repayment dates. The Company's request for deferment of principal repayments is to bring such repayments in line with the revised cash flow forecasts brought about by the Covid-19 restrictions. Discussions to date have been positive and while still not finalised, the Company expects a favourable outcome and will provide a further update once negotiations have been concluded.

#### **Comment**

Company CEO, Brenda Berlin: "I am very pleased with the smooth ramp-up to the 50% labour capacity level at the Uitkomst colliery and the continuing strong demand for its products from existing customers. I also acknowledge the continued support of our existing financiers and am looking forward to finalising negotiations in the short term"

**Brenda Berlin**

**Chief Executive Officer**

This announcement has been approved by the Company's Disclosure Committee.

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#### **For more information contact:**

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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. MC Mining's key projects include the Uitkomst Colliery (metallurgical coal), Makhado Project (hard coking coal). Vele Colliery (semi-soft coking and thermal coal), and the Greater Soutpansberg Projects (coking and thermal coal).

**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 MC Mining's ability to control or estimate precisely, such as future market conditions, changes in regulatory environment and the behaviour of other market participants. MC Mining 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. MC Mining assumes no obligation and does 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.

MC Mining has ensured that the mineral resources quoted are subject to good governance arrangements and internal control. The Company has engaged external independent consultants to update the mineral resource in accordance with the JORC Code 2012 and SAMREC 2016. The units of measure in this report are metric, with Tonnes (t) = 1,000kg. Technical information that requires subsequent calculations to derive subtotals, totals and weighted averages

may involve a degree of rounding and consequently introduce an error. Where such errors occur MC Mining does not consider them to be material.