



ABN 98 008 905 388

# NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

**Date of Meeting**

22 November 2019

**Time of Meeting**

10 a.m. (London time)

**Place of Meeting**

Tavistock  
1 Cornhill  
London  
EC3V 3ND  
United Kingdom

**A proxy form is enclosed**

Please read this Notice and Explanatory Statement carefully.

If you are unable to attend the Meeting please complete and return the enclosed proxy form in accordance with the specified directions.

# MC Mining Limited

ABN 98 008 905 388

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting ("**Meeting**") of the shareholders of MC Mining Limited ABN 98 008 905 388 (the "**Company**") will be held at 10 a.m. (London time) on 22 November 2019 at Tavistock, 1 Cornhill, London, EC3V 3ND, United Kingdom for the purpose of transacting the following business referred to in this notice of meeting ("**Notice**").

The Explanatory Statement that accompanies and forms part of this Notice ("**Explanatory Statement**") describes the matters to be considered at the Meeting.

Capitalised terms used in this Notice are defined in the glossary at the end of the Explanatory Statement.

## AGENDA

### ITEMS OF BUSINESS

#### Annual financial report

To receive and consider the annual financial report of the Company for the year ended 30 June 2019, and the reports of the Directors and the auditor.

#### Resolution 1: Non-binding resolution to adopt Remuneration Report

To consider and, if thought fit, to pass the following resolution as an advisory only resolution:

*"To adopt the Remuneration Report for the year ended 30 June 2019."*

**Note:** The vote on this resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Statement for further details on the consequences of voting on this Resolution.

#### VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast on Resolution 1 by or on behalf of:

- a member of the Company's Key Management Personnel details of whose remuneration are included in the Remuneration Report; and
- a Closely Related Party of such a member of the Company's Key Management Personnel.

However, the Company need not disregard a vote cast by such a person if the vote is cast:

- as proxy for a person entitled to vote on Resolution 1, in accordance with the directions on the proxy form; or

- by the Chairman, as proxy for a person entitled to vote on Resolution 1, in accordance with an express authorisation to vote on Resolution 1 as the Chairman sees fit.

#### Resolution 2: Re-election of Director - Bernard Pryor

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That Mr Bernard Pryor, a Director who retires by rotation in accordance with clause 3.6 of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."*

#### Resolution 3: Re-election of Director - Khomotso Mosehla

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That Mr Khomotso Mosehla, a Director who retires by rotation in accordance with clause 3.6 of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."*

#### Resolution 4: Re-election of Director - Shangren Ding

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That Mr Shangren Ding, a Director who retires by rotation in accordance with clause 3.6 of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."*

#### Resolution 5: Election of Director - Sam Randazzo

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That Mr Sam Randazzo, having been appointed by the Board as an additional Director on 29 March 2019, who retires in accordance with clause 3.3 of the Constitution and, being eligible, offers himself for election, be elected as a Director"*

#### Resolution 6: Grant of Performance Rights to Director - David Brown

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to grant Performance Rights to Executive Director Mr David Brown and either issue or transfer ordinary shares in the Company to Mr Brown upon the vesting and exercise of those Performance Rights, in accordance with the terms of the Company's Performance Rights Plan and on the basis*

described in the Explanatory Statement accompanying this Notice of Annual General Meeting."

See voting exclusion statement below.

#### **Resolution 7: Grant of Performance Rights to Director – Brenda Berlin**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to grant Performance Rights to Executive Director Ms Brenda Berlin, and either issue or transfer ordinary shares in the Company to Ms Berlin upon the vesting and exercise of those Performance Rights, in accordance with the terms of the Company's Performance Rights Plan and on the basis described in the Explanatory Statement accompanying this Notice of Annual General Meeting."*

#### **VOTING EXCLUSION STATEMENT FOR RESOLUTIONS 6 AND 7**

The Company will disregard any votes cast in favour of each of Resolutions 6 and 7 by or on behalf of any Director who is eligible to participate in the Company's Performance Rights Plan (or any associate of such a Director).

However, the Company need not disregard a vote cast by such a person if the vote is cast:

- as proxy for a person entitled to vote on Resolution 6 or 7 (as applicable), in accordance with the directions on the proxy form; or
- by the Chairman, as proxy for a person entitled to vote on Resolution 6 and 7 (as applicable), in accordance with a direction on the proxy form to vote as the Chairman decides.

The Company will also disregard any votes cast on Resolutions 6 and 7 by a member of the Key Management Personnel of the Company or their Closely Related Parties, acting as proxy for another person, where the proxy form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing where the appointment expressly authorises the Chairman to exercise the proxy even though the respective Resolution is connected with the remuneration of a member of the Key Management Personnel of the Company, will not be excluded.

#### **OTHER BUSINESS**

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

#### **By order of the Board**

**Tony Bevan**

Company Secretary

Dated: 22 October 2019

#### **How to vote**

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice and by submitting their proxy appointment and voting instructions in person, by post or by facsimile.

#### **Voting in person (or by attorney)**

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the Meeting.

#### **Voting by a corporation**

A shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

#### **Voting by proxy**

- A shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit.
- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf either on a show of hands or on the poll and the Shares that are the subject of

the proxy appointment will not be counted in calculating the required majority.

- Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the Meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the Meeting, the Chairman of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed resolutions. These rules are explained in this Notice.
- If a shareholder entitled to vote on a Resolution appoints the Chairman of the Meeting as their proxy (or the Chairman becomes their proxy by default) and the shareholder does not direct the Chairman how to vote on the Resolution:
  - the Chairman intends to vote in favour of the Resolution, as proxy for that shareholder on a poll; and
  - for Resolutions 1, 6 and 7 the shareholder will be taken to have given the Chairman express authority to vote as the shareholder's proxy on the relevant resolution even though the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company and even though the Chairman is a member of the Key Management Personnel, unless the shareholder expressly indicates to the contrary in the proxy appointment.
- To be effective, proxies must be lodged by 10 a.m. (London time) on 20 November 2019. Proxies lodged after this time will be invalid.
- Proxies may be lodged using any of the following methods:
  - by returning a completed proxy form by delivery or post to:  
Computershare Investor Services Pty Ltd  
GPO Box 242  
Melbourne Victoria 3001  
Australia
  - by faxing a completed proxy form to the facsimile number provided on the proxy form accompanying this Notice.

The proxy form must be signed by the shareholder or the shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney, or the power itself, must be received by the Company at the above address, or by facsimile, by 10 a.m. (London time) on 20 November 2019. If facsimile

transmission is used, the power of attorney must be certified.

#### **Shareholders who are entitled to vote**

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the register of shareholders as at 8:00 a.m. (London time) on 21 November 2019. Changes in the register of shareholders after this time will be disregarded in determining the rights of any person to attend and vote at the Meeting.

## **EXPLANATORY STATEMENT**

This Explanatory Statement is intended to provide shareholders with sufficient information to assess the merits of the Resolutions contained in the preceding Notice.

The Explanatory Statement and all attachments are important documents. They should be read carefully. The Directors recommend shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

Certain abbreviations and other defined terms are used throughout this Explanatory Statement. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the glossary at the end of this Explanatory Statement.

### **FINANCIAL STATEMENTS**

The first item of the Notice relates to the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2019, together with the Directors' declaration and report in relation to that financial year and the auditor's report on those financial statements.

Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders may submit a written question to the auditor, via the Company, prior to the Meeting provided that the question relates to:

- the content of the auditor's report; or
- the conduct of the audit in relation to the financial report.

All written questions must be received by the Company no later than five business days prior to the Meeting. All questions must be sent to the Company and may not be sent directly to the auditor. The Company will then forward all questions to the auditor.

The auditor will be attending the Meeting and will answer written questions submitted prior to the Meeting.

Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company.

The Chairman will also provide shareholders a reasonable opportunity to ask the auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; and
- the independence of the auditor in relation to the conduct of the audit.

### **RESOLUTION 1: REMUNERATION REPORT**

The Directors' report for the year ended 30 June 2019 contains the Remuneration Report which explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any share based compensation.

Section 250R(3) of the Corporations Act expressly provides that the vote on the resolution is advisory only and does not bind the Directors or the Company. However, if at least 25% of the votes cast are against adoption of the

Remuneration Report at the Meeting, and then again at the 2020 annual general meeting, the Company will be required to put a resolution to the 2020 annual general meeting, to approve calling an extraordinary general meeting (“**spill resolution**”). If more than 50% of shareholders vote in favour of the spill resolution, the Company must convene an extraordinary general meeting (“**spill meeting**”) within 90 days of the 2020 annual general meeting. All of the Directors (other than the managing director (if any)) who were in office when the 2020 Directors’ report was approved will need to stand for re-election at the spill meeting.

#### **Previous voting results**

The votes cast against adoption of the remuneration report considered at the Company’s 2018 annual general meeting were less than 25% and, as such, the spill resolution will not be relevant to this Meeting.

#### **Voting**

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice.

Shareholders are urged to carefully read the proxy form and provide a direction to the proxy on how to vote on this Resolution.

#### **Directors’ recommendation**

The Board unanimously recommends that shareholders vote in favour of Resolution 1.

#### **RESOLUTION 2: RE-ELECTION OF DIRECTOR – BERNARD PRYOR**

Clause 3.6 of the Constitution provides that at every annual general meeting of the Company, one-third of the Directors must retire from office and are eligible for re-election.

Bernard Pryor retires by rotation in accordance with the Constitution and, being eligible, offers himself for re-election.

#### **Bernard Pryor**

Mr Pryor was initially appointed a Non-executive Director of the Company in August 2012 and subsequently appointed Non-executive Chairman in February 2014.

Mr Pryor is a Chartered Engineer and currently the chief executive officer (CEO) of Alufer Mining Limited. He was previously the CEO of African Minerals Limited and prior to that the Chief Executive of Q Resources Plc. He is also a director of Petra Diamonds Limited. Between 2006 and 2010 he held senior executive positions within Anglo American Plc as Head of Business Development, and CEO of Anglo Ferrous Brazil Inc.

#### **Directors’ recommendation**

The Board (with Mr Pryor abstaining) recommends shareholders vote in favour of Resolution 2.

#### **RESOLUTION 3: RE-ELECTION OF DIRECTOR – KHOMOTSO MOSEHLA**

Clause 3.6 of the Constitution provides that at every annual general meeting of the Company, one-third of the Directors must retire from office and are eligible for re-election.

Khomotso Mosehla retires by rotation in accordance with the Constitution and, being eligible, offers himself for re-election.

#### **Khomotso Mosehla**

Mr Mosehla was appointed a Non-executive Director of the Company in November 2010.

Mr Mosehla is a CA (SA) and completed his articles with KPMG. Khomotso worked at African Merchant Bank Limited for five years where he gained a broad range of experience, including management buy-out, leveraged buy-out and capital restructuring/raising transactions. In 2003, he established Mvelaphanda Corporate Finance for

the development of Mvelaphanda's mining and non-mining interests. Mr Mosehla served as a director on the boards of several companies, including Mvelaphanda Resources Limited, and he is currently the CEO of Mosomo Investment Holdings Proprietary Limited.

Mr Mosehla is currently the Non-executive Chairman of Northam Platinum Limited as well as Zambezi Platinum Limited.

#### **Directors' recommendation**

The Board (with Mr Mosehla abstaining) recommends shareholders vote in favour of Resolution 3.

#### **RESOLUTION 4: ELECTION OF DIRECTOR - SHANGREN DING**

Clause 3.6 of the Constitution provides that at every annual general meeting of the Company, one-third of the Directors must retire from office and are eligible for re-election.

Shangren Ding retires by rotation in accordance with the Constitution and, being eligible, offers himself for re-election.

#### **Shangren Ding**

Mr Ding was appointed a Non-executive Director of the Company in October 2016.

Mr Ding is an experienced professional engineer and has worked for a number of mining and energy companies as well as acting as a consultant to the Chinese government geological bureaux. Shangren has over 30 years' experience predominantly in the coal mining sector and has gained extensive operational coal mining knowledge through chief operating roles at a number of mines in the Heilongjiang province in the People's Republic of China. Since 2014, Mr Ding has worked in a number of senior roles for Beijing Haohua Energy Resource Co. Ltd (BHE). Mr Ding joined the board as a shareholder nominee for Haohua Energy International (Hong Kong), a wholly subsidiary of BHE.

#### **Directors' recommendation**

The Board (with Mr Ding abstaining) recommends shareholders vote in favour of Resolution 4.

#### **RESOLUTION 5: ELECTION OF DIRECTOR - SAM RANDAZZO**

Clause 3.3 of the Constitution states that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Board. Any Director so appointed holds office only until the next following annual general meeting and is then eligible for election.

Mr Sam Randazzo was appointed to the Board on 29 March 2019 to act as a Non-executive Director. In accordance with clause 3.3 of the Constitution, Mr Randazzo now seeks election as a Director at the Annual General Meeting.

#### **Sam Randazzo**

Sam Randazzo began his career with Arthur Young (predecessor firm to Ernst & Young) before working as a consultant across a variety of projects in the USA, Australia, Canada, Africa and South America and is a member of Chartered Accountants Australia and New Zealand. He has over 25 years' experience in the international mining industry with extensive public company management expertise from roles as chairman, director, chief executive officer, chief financial officer, company secretary and executive director positions of ASX, TSX and AIM listed mineral resource companies. Mr Randazzo has completed numerous feasibility studies, mergers and acquisitions and capital-raising and has operational management experience in Australia, South America, USA, Canada and the UK.

#### **Directors' recommendation**

The Board (with Mr Randazzo abstaining) recommends shareholders vote in favour of Resolution 5.

## RESOLUTIONS 6 AND 7: GRANT OF PERFORMANCE RIGHTS TO MR BROWN (CEO) AND MS BERLIN (CFO)

### Background

The Performance Rights Plan was adopted in 2015 to assist with the attraction, motivation and retention of senior employees and executive directors of the Company and its subsidiaries, and to align the interests of those senior employees and directors with the interests of shareholders by matching rewards with the long-term performance of the Company.

Listing Rule 10.14 states that a listed company must not permit a Director to acquire securities under an employee incentive scheme without the prior approval of shareholders by an ordinary resolution.

As the Company's CEO, Mr Brown and CFO, Ms Berlin, are Directors, the purpose of Resolutions 6 and 7 is for shareholders to approve the proposed grants of Performance Rights under the Company's Performance Rights Plan ("**Performance Rights**") to Mr Brown and Ms Berlin.

The Board believes that part of the remuneration for Mr Brown's and Ms Berlin's services to the Company should be performance-based and at risk and should involve equity interests in the Company. This approach is consistent with best practice in executive remuneration and corporate governance. In structuring the terms of the long-term incentives to Mr Brown and Ms Berlin, the Board has considered market practice among comparable companies listed on the ASX.

All Performance Rights granted to Mr Brown and Ms Berlin comply with the rules of the Company's Performance Rights Plan.

### Related Party Benefit

The Board (other than Mr Brown and Ms Berlin) has considered the application of Chapter 2E of the Corporations Act to the grants of Performance Rights to Mr Brown and Ms Berlin and considers that the financial benefit given by such grant of Performance Rights constitutes reasonable remuneration to Mr Brown and Ms Berlin given:

- the circumstances of the Company; and
- Mr Brown's and Ms Berlin's respective roles and responsibilities with the Company,

for the purposes of the exception contained in section 211(1) of the Corporations Act.

Therefore, the Company is not seeking shareholder approval pursuant to section 208 of the Corporations Act in addition to the approvals being sought under the Listing Rules for the grants of Performance Rights to Mr Brown and Ms Berlin.

### Requirements of Listing Rule 10.14 and 10.15 – Resolutions 6 and 7

The following information in relation to the Performance Rights that may be granted to Mr Brown and Ms Berlin pursuant to Resolutions 6 and 7 is provided to shareholders for the purposes of Listing Rule 10.15:

- a) **Number of securities:** Listing Rule 10.15.2 requires a company to state the maximum number of securities that may be acquired by all persons for whom approval is required, including any formula for calculating the number of securities to be issued.

The number of Performance Rights that may be granted to:

- Mr Brown will be determined by dividing ZAR 5,339,417 (which is 83% of Mr Brown's fixed remuneration) by the volume weighted average price of the Shares of the Company over the 30 trading days prior to the date of grant of the Performance Rights. The proposed date of grant to Mr Brown is, subject to shareholder approval, intended to be on or as soon as practicable after the Annual General Meeting; and
- Ms Berlin will be determined by dividing ZAR 4,293,375 (which is 75% of Ms Berlin's fixed remuneration) by the volume weighted average price of the Shares of the Company over the 30 trading days prior to the date of grant of the Performance Rights. The proposed date of grant to



Ms Berlin is, subject to shareholder approval, intended to be on or as soon as practicable after the Annual General Meeting.

Accordingly, the Company applied to the ASX for a waiver from Listing Rule 10.15.2 to the extent that it need not state in this Notice of Meeting the maximum number of Performance Rights proposed to be issued to Mr Brown and Ms Berlin (**Waiver**). At the time of issue of this Notice, the Waiver has not been granted by ASX. If the Waiver is not granted by ASX by the time appointed for the Meeting, then Resolutions 6 and 7 (as applicable) seeking shareholder approval for the grant of Performance Rights to Mr Brown and Ms Berlin will be withdrawn.

- b) **Price of securities:** The Performance Rights will be granted for no consideration. No exercise price is payable upon exercise of the Performance Rights.
- c) **Securities granted under the Performance Rights Plan under the last approval:** At the November 2016 AGM the Company obtained shareholder approval under Listing Rule 10.14 for the grant of Performance Rights to Mr Brown. Following this meeting 562,747 Performance Rights (post 2017 consolidation) were issued under the Plan to Mr Brown. None of the Performance Rights have been exercised to date.

At the November 2017 AGM the Company obtained shareholder approval under Listing Rule 10.14 for the grant of Performance Rights to Mr Brown. Following this meeting 625,612 Performance Rights were issued under the Plan to Mr Brown. None of the Performance Rights have been exercised to date.

At the November 2018 AGM the Company obtained shareholder approval under Listing Rule 10.14 for the grant of Performance Rights to Mr Brown and Ms Berlin. Following this meeting 878,287 and 635,347 Performance Rights were issued under the Plan to Mr Brown and Ms Berlin respectively. None of the performance rights have been exercised to date.

- d) **Eligible participants:** Eligible participants under the Performance Rights Plan are full time or part time senior employees and executive directors of the Company or its subsidiaries. Mr Brown and Ms Berlin are the only Directors, or associates of a Director, who are entitled to participate in the Company's Performance Rights Plan.
- e) **No loans given to acquire securities:** No loans will be provided by the Company in connection with the grant of the Performance Rights to either Mr Brown or Ms Berlin.
- f) **Voting exclusion statement:** A voting exclusion statement in relation to Resolutions 6 and 7 is set out in the Notice.
- g) **Date of issue of securities:** Following approval, the Company will issue the Performance Rights to Mr Brown and Ms Berlin as soon as practicable and in any event within 12 months after the date of the Annual General Meeting. The Company expects to issue all of the Performance Rights on the same date, however the exact date of issue is unknown at this stage.

If approval is given for the abovementioned issues of the Performance Rights to Mr Brown and Ms Berlin under Listing Rule 10.14, further approval is not required (and will not be sought) under Listing Rule 7.1 or Listing Rule 10.11 (which provides a restriction against issuing securities to directors without shareholder approval) for the issues.

### Worked Examples

The below table sets out the maximum potential dilution associated with the issue of Performance Rights to Directors. The number of Performance Rights to be issued under Resolutions 6 and 7 will be determined by dividing the total value of the Performance Rights by the volume weighted average price of the Shares of the Company on the JSE over the 30 trading days prior to the date of grant of the Performance Rights ("C"). Set out below are worked examples outlining the number of Performance Rights to be issued as if:

- a) the performance rights were to be issued on 11 October 2019 (C is equal to the 30 day VWAP of the Company's Shares on the JSE on 11 October 2019 of ZAR 5.73);
- b) C is equal to the closing price of the Shares at 11 October 2019; and

c) C is equal to a closing price 25% below the closing price of the Shares at 11 October 2019.

	ZAR value of Performance Rights	Number of Performance Rights to be issued		
		(a)	(b)	(c)
		C = 30 day VWAP at 11 October 2019 (ZAR 5.73)*	C = Closing share price at 11 October 2019 (ZAR 4.91)*	C=25% decline in Closing share price at 11 October 2019 (ZAR 3.68)*
Performance Rights to be issued to Mr Brown (Resolution 6)	ZAR 5,339,417	931,835	1,087,458	1,449,944
Percentage of fully diluted issued capital		0.65%	0.76%	1.01%
Performance Rights to be issued to Ms Berlin (Resolution 7)	ZAR 4,293,375	749,280	874,414	1,165,886
Percentage of fully diluted issued capital		0.53%	0.61%	0.81%
<b>Total</b>	<b>ZAR 9,632,792</b>	<b>1,681,116</b>	<b>1,961,872</b>	<b>2,615,829</b>
<b>Total percentage dilution of fully diluted issued capital</b>		<b>1.18%</b>	<b>1.37%</b>	<b>1.82%</b>

*\*Illustrative example as Performance Rights will be issued using the 30-day VWAP immediately prior to the date the Performance Rights are to be issued*

Please note that the above table outlines the potential maximum dilution that could occur following the issue of the Performance Rights in accordance with Resolutions 6 and 7 where:

- 100% of the Performance Rights have vested in accordance with the terms of the Company's Performance Rights Plan; and
- 100% of the vested Performance Rights are exercised by the relevant Directors.

### Vesting Conditions

It is noted that the vesting conditions in respect of the Performance Rights proposed to be granted to Mr Brown and Ms Berlin are different to the vesting conditions which applied to previous issues of Performance Rights by the Company. The Directors undertook a review of the Performance Rights Plan over the last six months to ensure that the Plan was achieving its stated objective. The Company's Performance Rights Plan was designed to assist with the attraction, motivation and retention of senior employees and executive directors of the Company and its subsidiaries, and to align the interests of those employees and directors with the interests of shareholders by matching rewards with the long-term performance of the Company.

The 2015 Performance Rights granted have been cancelled and furthermore options issued under the previous scheme have resulted in no benefits for senior staff or directors since 2012. Hence the Directors believe that stated objectives of attraction, motivation and retention of employees are not being achieved.

Under the terms of the Performance Rights Plan approved by Shareholders, the Board may, from time to time, at its absolute discretion, determine the number and value of any Performance Rights to be granted under the Performance Rights Plan. Without limiting its discretion, the Board may also determine the exercise price (if any), vesting conditions, exercise conditions, exercise period, restrictions on disposal and any other terms applicable to a particular grant of Performance Rights in an invitation to an Eligible Employee. In accordance with the terms of

the Performance Rights Plan, all the Performance Rights proposed to be granted to Mr Brown and Ms Berlin will be subject to the following vesting conditions.

**TSR Vesting Condition:** Vesting of the Performance Rights is subject to total shareholder return (“**TSR**”) exceeding a specified hurdle rate (“the **Hurdle Rate**”). TSR is the increase in the price of a Share plus any dividends received in the relevant annual period.

The Hurdle Rate will be set on each grant date and will be determined by the Company based on a calculation of the South African Consumer Price Index (“**CPI**”) plus five percent. The Hurdle Rate for the TSR will be compounded annually over the three-year period (off the 30-day VWAP prevailing at the grant date) but will be measured annually to determine whether one third of the Performance Rights are earned or cancelled.

One third of the Performance Rights issued will be assessed at the end of each year as to whether the vesting conditions have been satisfied. If the vesting conditions are satisfied then one third of the Performance Rights are banked (earned), but will not vest until the end of the three-year period. If the vesting conditions are not satisfied then one third of the Performance Rights are cancelled.

The base price for the TSR calculation will be the volume weighted average price (“**VWAP**”) of Shares over the thirty days prior to the grant date. The end price for the TSR calculation (at each anniversary) will be the VWAP over the thirty days prior to the anniversary.

**Employment condition:** In addition to satisfying the TSR Vesting Condition, the grant of Mr Brown’s and Ms Berlin’s Performance Rights will be subject to Mr Brown and Ms Berlin (respectively) continuing to be employed by a member of the Group, and not have given or received notice of termination of their employment, three years after the grant date of the Performance Rights.

#### **Directors' recommendation**

Each of the Directors (other than Mr Brown who abstains in respect of the Performance Rights the subject of Resolution 6 and Ms Berlin who abstains in respect of the Performance Rights the subject of Resolution 7) recommends the grants of Performance Rights to Mr Brown and Ms Berlin for the reasons set out above and recommends that shareholders vote in favour of these Resolutions.

Each of the Directors (other than Mr Brown and Ms Berlin) are non-executive Directors of the Company and are not eligible to participate in the Performance Rights Plan and accordingly do not have an interest in the outcome of these Resolutions.

## GLOSSARY

**ASX** means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the board of Directors of the Company.

**Closely Related Party** has the meaning given to that term in the Corporations Act.

**Company** means MC Mining Limited ABN 98 008 905 388.

**Constitution** means the constitution of the Company in effect as at the date of this Notice.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the directors of the Company.

**Explanatory Statement** means this explanatory statement.

**Group** means the Company and all the entities the Company is required to include in its consolidated financial statements (i.e. its controlled entities).

**Key Management Personnel** has the meaning given to that term in the Corporations Act.

**Meeting** or **Annual General Meeting** means the annual general meeting the subject of the Notice.

**Notice** or **Notice of Meeting** or **Notice of Annual General Meeting** means the notice of Meeting which accompanies this Explanatory Statement.

**Performance Rights** has the meaning given to that term on page 9 of the Explanatory Statement.

**Performance Rights Plan** means the performance rights plan adopted by the Company entitled "MC Mining Limited Performance Rights Plan".

**Remuneration Report** means the section of the Directors' report contained in the annual financial statements of the Group for the year ended 30 June 2016 entitled "Remuneration Report".

**Resolution** means a resolution proposed pursuant to the Notice.

**Shares** means fully paid ordinary shares in the capital of the Company.

# MC Mining Limited

ABN 98 008 905 388



MCM

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Need assistance?



### Phone:

1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



### Online:

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (London time) / 6:00pm (Perth time) Wednesday, 20 November 2019.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## ATTENDING THE MEETING

**If you are attending in person, please bring this form with you to assist registration.**

### Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**

**SRN/HIN: I9999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

☐

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark ☒ to indicate your directions

### Step 1

### Appoint a Proxy to Vote on Your Behalf

XX

I/we being a member/s of MC Mining Limited hereby appoint

☐

the Chairman  
of the Meeting

OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of MC Mining Limited to be held at Tavistock, 1 Cornhill, London, EC3V 3ND, United Kingdom on Friday, 22 November 2019 at 10:00am (London time) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 6 and 7 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 6 and 7 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 6 and 7 by marking the appropriate box in step 2.

### Step 2

### Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Non-binding resolution to adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – Bernard Pryor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Director – Khomotso Mosehla	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Re-election of Director – Shangren Ding	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Election of Director – Sam Randazzo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Grant of Performance Rights to Director – David Brown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Grant of Performance Rights to Director – Brenda Berlin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### Step 3

### Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

MCM

9 9 9 9 9 9 A



Computershare



**All Correspondence to:**

The office of the Depositary

Computershare Investor Services PLC

The Pavilions, Bridgwater Road,

Bristol, BS99 6ZY

MR A SAMPLE  
< DESIGNATION>  
SAMPLE STREET  
SAMPLE TOWN  
SAMPLE CITY  
SAMPLE COUNTY  
AA11 1AA

**CANCELLED**

## Form of Instruction - Annual General Meeting to be held on Friday, 22 November 2019

**To be effective, all forms of instruction must be lodged at the office of the Depositary at:**

**Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by Tuesday, 19 November 2019 at 10.00 am.**

### Explanatory Notes:

1. Please indicate, by placing 'X' in the appropriate space overleaf, how you wish your votes to be cast in respect of the Resolution. If this form is duly signed and returned, but without specific direction as to how you wish your votes to be cast, the form will be rejected.
2. The 'Abstain' option overleaf is provided to enable you to vote withheld on the Resolution. However, it should be noted that a 'Abstain' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a Resolution.
3. Any alterations made in this form should be initialled.
4. The 2019 Integrated Report and Notice of Meeting is available online, simply visit: [www.mcmmining.co.za](http://www.mcmmining.co.za).

**Kindly Note:** This form is issued only to the addressee(s) and is specific to the unique designated account printed hereon. This personalised form is not transferable between different: (i) account holders; or (ii) uniquely designated accounts. Computershare Investor Services PLC (the "Depository") and the Custodian accept no liability for any instruction that does not comply with these conditions.

## All Named Holders

MR A SAMPLE  
< Designation>  
Additional Holder 1  
Additional Holder 2  
Additional Holder 3  
Additional Holder 4



Form of Instruction

Please use a **black** pen. Mark with an **X** inside the box as shown in this example.



C0000000000

I/We hereby instruct the Custodian "Computershare Clearing PTY Limited A/c CCNL DI" to vote on my/our behalf at the Annual General Meeting of MC Mining Limited to be held at **Tavistock, 1 Cornhill, London EC3V 3ND**, on **Friday, 22 November 2019** at **10:00 am** and at any adjournment thereof.

CANCELLED

Ordinary Business

	For	Against	Abstain
1. Non-binding resolution to adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Director – Bernard Pryor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of Director – Khomotso Mosehla	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Re-election of Director – Shangren Ding	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Election of Director – Sam Randazzo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Grant of Performance Rights to Director – David Brown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Grant of Performance Rights to Director – Brenda Berlin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signature

Date

CANCELLED

In the case of joint holders, only one holder need sign. In the case of a corporation, the Form of Instruction should be signed by a duly authorised official whose capacity should be stated, or by an attorney.





# MC MINING LIMITED

(Incorporated and registered in Australia)  
(Registration number: ABN 98 008 905 388)  
Share code on the JSE Limited: "MCZ", AIM and ASX: "MCM"  
ISIN: AU000000MCM9  
("MC Mining" or "the Company")



## FORM OF PROXY – ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON FRIDAY, 22<sup>nd</sup> NOVEMBER 2019 AT 10:00 AM (BST)

Only for use by certificated shareholders or dematerialised shareholders of MC Mining Limited who have selected "own-name" registration.

**For use by MC Mining shareholders at the Annual General Meeting of shareholders to be held at Tavistock, 1 Cornhill, London, EC3V 3ND, United Kingdom on Friday, 22 November 2019 at 10:00 am (BST) and at any adjournment or postponement of that Meeting.**

**If you have dematerialised your shares with a Central Securities Depository Participant ("CSD Participant") or broker and have not selected "own-name" registration, you must arrange with your CSD Participant or broker to provide you with the necessary letter of representation to attend the Annual General Meeting or you must instruct them as to how you wish to vote in this regard. This must be done in terms of the agreement entered into between you and the CSD Participant or broker.**

I/We (Names in full – please print)

of (address – please print):

being the holder of  shares in MC Mining hereby appoint:

1. \_\_\_\_\_ of \_\_\_\_\_ or failing him/her,

2. \_\_\_\_\_ of \_\_\_\_\_ or failing him/her,

or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and vote for me/us at the Annual General Meeting of shareholders to be held at Tavistock, 1 Cornhill, London, EC3V 3ND, United Kingdom on Friday, 22 November 2019 at 10:00 am (BST) and at any adjournment or postponement thereof, and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat in accordance with the following instructions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) (see notes).

The Explanatory Memorandum that accompanies and forms part of this Notice of Annual General Meeting describes the matters to be considered at the Annual General Meeting.

		For	Against	Abstain
<b>Ordinary Resolution 1</b>	Non-binding resolution to adopt Remuneration Report			
<b>Ordinary Resolution 2</b>	Re-election of Director – Bernard Pryor			
<b>Ordinary Resolution 3</b>	Re-election of Director – Khomotso Mosehla			
<b>Ordinary Resolution 4</b>	Re-election of Director – Shangren Ding			
<b>Ordinary Resolution 5</b>	Election of Director – Sam Randazzo			
<b>Ordinary Resolution 6</b>	Grant of Performance Rights to Director - David Brown			
<b>Ordinary Resolution 7</b>	Grant of Performance Rights to Director - Brenda Berlin			

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2019

Name

(In block letters)

Signature/s

Assisted by me

(If applicable)

Full name/s of signatory/ies if signing in a representative capacity

(In block letters and authority to be attached – see note 11)

Please read the notes below:

## Notes

- (1) Each shareholder is entitled to appoint one or more proxies (none of whom need be a shareholder of MC Mining) to attend, speak, vote or abstain from voting in place of that shareholder at the Annual General Meeting of shareholders.
- (2) A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided, with or without deleting "the Chairman of the Meeting," but any such deletion must be initialised by the shareholder. The person whose name stands first on the form of proxy and who is present at the Annual General Meeting of shareholders will be entitled to act as proxy to the exclusion of those whose names follow.
- (3) **Forms of proxy must be lodged with or posted to the transfer secretaries, Computershare Investor Services (Proprietary) Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa, (PO Box 61051, Marshalltown, 2107), faxed to +27 11 688-5238 or emailed to [Proxy@Computershare.co.za](mailto:Proxy@Computershare.co.za) to be received by no later than Wednesday, 20 November 2019 at 10:00 am (BST/12pm CAT).**
- (4) The completion and lodging of this form of proxy will not preclude the shareholder from attending the Annual General Meeting and speaking and voting in person to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
- (5) **If the signatory does not indicate in the appropriate place on the face hereof how he/she wishes to vote in respect of any resolutions, his/her proxy shall be entitled to vote as he/she deems fit in respect of that resolution. The Chairman intends to vote all available undirected proxies in favour of all Resolutions.**
- (6) The Chairman of the Meeting shall be entitled to decline to accept the authority of a person signing this form of proxy:
  - under a power of attorney; or
  - on behalf of a company;unless the power of attorney or authority is deposited at the office of MC Mining's transfer secretaries, not less than 48 hours before the time appointed for the holding of the Annual General Meeting.
- (7) The Chairman of the Meeting may reject or accept any form of proxy, which is completed and/or received other than in accordance with these notes, provided that the Chairman is satisfied as to the manner in which the shareholder concerned wishes to vote.
- (8) Subject to note (2) above, a deletion of any printed matter and the completion of any blank spaces need not be signed or initialled. Any alterations must be signed, not initialled.
- (9) If the shareholding is not indicated on the form of proxy, the proxy will be deemed to be authorised to vote the total shareholding registered in the shareholder's name.
- (10) A vote given in terms of an instrument of proxy shall be valid in relation to the Annual General Meeting, notwithstanding the death of the person granting it, or the revocation of the proxy, or the transfer of the shares in MC Mining in respect of which the vote is given, unless an intimation in writing of such death, revocation or transfer is received by the transfer secretaries no less than 48 hours before the commencement of the Annual General Meeting.
- (11) Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy unless previously recorded by MC Mining or its transfer secretaries or waived by the Chairman of the Meeting.
- (12) Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form of proxy, unless it has previously been registered with MC Mining or the transfer secretaries.
- (13) Where there are joint holders of shares and if more than one such joint holder is present or represented thereat, then the person whose name appears first in the register of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof.
- (14) Where shares are held jointly, all joint holders are required to sign.
- (15) A minor must be assisted by his/her parent or guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of MC Mining.
- (16) Dematerialised shareholders who have not selected "own-name" registration and who wish to attend the Annual General Meeting or to vote by way of proxy, must advise their CSD Participant or broker who will issue the necessary letter of representation in writing, for a dematerialised shareholder or proxy to do so.

**Transfer Secretaries**  
**Computershare Investor Services (Proprietary) Limited**  
**Reg. No. 2004/003647/07**  
**Proxy Dept. PO Box 61051, Marshalltown, 2107, South Africa**  
**Fax: +27 11 688-5238**  
**Email: [Proxy@Computershare.co.za](mailto:Proxy@Computershare.co.za)**