



ANNOUNCEMENT

18 JUNE 2018

INTERIM INTERDICT LIFTED

MC Mining Limited ("**MC Mining**" or the "**Company**") is pleased to announce a successful High Court of South Africa judgement, discharging an interim interdict originally granted in December 2014 (the "**Interim Interdict**"). The favourable June 2018 judgement (the "**Judgement**") pertains to a matter between the Vhembe Mineral Stakeholders Forum (and others) (together the "**Applicants**") and the Limpopo Department of Economic Development, Environment and Tourism together with the Company. The Judgement rescinds the Interim Interdict against the Company's Environmental Authorisation ("**EA**") for the Makhado hard coking and thermal coal project ("**Makhado Project**" or "**Makhado**").

The Interim Interdict was originally issued against the Company in an attempt to prevent MC Mining from undertaking activities pertaining to the Makhado Project's construction and mining. During July 2016, the EA was transferred to MC Mining's subsidiary, Baobab Mining & Exploration (Pty) Ltd ("**Baobab**"), the owner and developer of the Makhado Project. This transfer was completed in compliance with the National Environmental Management Act (107 of 1998) and, as previously announced, the Company did not anticipate the Interim Interdict delaying the development of the project.

The Company has undertaken various initiatives to address the Interim Interdict and the Judgement granted two orders, namely:

1. discharging the Interim Interdict against the Company, including an award against the Applicants for appropriate costs, including those of two legal counsel; and
2. dismissal of a further application by the Applicant to extend the Interim Interdict to Baobab. Again, this dismissal included a costs award against the Applicants.

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

"The favourable High Court Judgement reaffirms the Company's approach in the development of Makhado, endorses government's support for the project and is a significant victory for the mining industry. The Applicants are a narrow interest group and despite numerous interactions to address concerns, they have utilised unreasonable litigation approaches in an attempt to halt Makhado, together with the associated socio-economic transformation of local communities. The High Court echoed this sentiment in the Judgement."

"The Makhado Project has all the legal approvals required to commence construction and the Judgement vindicates MC Mining's strategy, confirming compliance with the required regulatory

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requirements. Prior to the commencement of construction, the Company requires access to two properties that form part of the Makhado Project. These properties are subject to a legislated land claims process by Makhado's host communities, who are also shareholders in the Makhado Project. In parallel, however, the Company will embark on a process of enforcing its access rights under our mining right. Furthermore, good progress has been made on the Makhado Project marketing and financing arrangements."

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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).

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