



ABN 98 008 905 388

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

Date of Meeting

20 November 2020

Time of Meeting

10 a.m. (London time)

Place of Meeting

This meeting will be held exclusively as a virtual meeting by way of a live webcast. Details on how to attend this meeting are included within.

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.

Contents

| | <u>Page</u> |
|----------------------------------|--------------------|
| Notice of Annual General Meeting | 2 |
| Business of the Meeting | 3 |
| Voting Procedures | 5 |
| Explanatory Statement | 8 |
| Glossary | 20 |
| Sample Proxy Forms | 21 |

MC Mining Limited

ABN 98 008 905 388

NOTICE OF ANNUAL GENERAL MEETING

DETAILS OF MEETING

Notice is hereby given that the Meeting will be held on:

Date & Time: Friday, 20 November 2020
10.00am London Time

Venue: Virtual (see below)

As a result of the potential health risks and various Governments restrictions in response to the COVID-19 pandemic, the Company will not be holding a physical Meeting for the 2020 year.

The Meeting will be made accessible to Shareholders via a live webcast with a process that will allow Shareholders to ask questions in relation to the business of the Meeting.

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Questions

Shareholders may submit questions to the Company in advance of the Meeting.

Questions must be submitted via email to the Company Secretary at tonyb@endeavourcorp.com.au

Questions must be received no later than 5.00pm (London time) on 13 November 2020.

Responses to all valid questions will be lodged on the Announcements Platform on the various markets, namely the ASX, AIM and the JSE.

Shareholders will also have the opportunity to submit questions during

the meeting in respect to the formal business to be conducted at the meeting.

Webcast

To facilitate an orderly and secure Meeting, Shareholders must register their attendance with the Company by 10:00am (London time) on 19 November 2020, the day prior to the Meeting by emailing the Company Secretary at tonyb@endeavourcorp.com.au and including your Holder Name, Address and HIN or SRN.

The Company will then provide you via return email with the access details and password to participate in the Meeting via the live webinar facility.

If it becomes necessary or appropriate to make alternative arrangements for holding or conducting the Meeting, we will make further information available via the various markets and on our website.

Other

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 8:00am (London time) on 19 November 2020.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9316 9100.

Dated: 15 October 2020
By order of the Board
Tony Bevan
Company Secretary
MC Mining Limited

BUSINESS OF THE MEETING

Item 1: Annual financial report

To receive and consider the annual financial report of the Company for the year ended 30 June 2020, and the reports of the Directors and the auditor.

Item 2, Resolution 1: Non-binding resolution to adopt Remuneration Report

To consider and, if thought fit, to pass the following resolution as a non-binding resolution:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report for the financial year ended 30 June 2020 as set out in the Directors' Report."

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

Item 3, Resolution 2: Re-election of Director – Andrew Mifflin

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

"That Mr Andrew Mifflin, 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."

Item 4, Resolution 3: Re-election of Director – An Chee Sin

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

"That Mr An Chee Sin, 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."

Item 5, Resolution 4: Re-election of Director – Zhen He

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

"That Mr Zhen He, 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".

Item 6, Resolution 5: 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."

Item 7, Resolution 6: Grant of Additional 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."

Item 8, Resolution 7: Ratification of Shares issued in preceding 12 month period

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the issue of 13,331,433 Shares during the preceding 12 month period on the terms and to the parties set out in the Notice of Meeting and Explanatory Statement is approved."

Item 9, Resolution 8: Ratification of Shares issued in preceding 12 month period

Note – this resolution will be withdrawn if the Columbia Skies Placement Shares have not been issued before the Meeting

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, the issue of 7,831,785 Shares during the preceding 12 month period on the terms and to the parties set out in the Notice of Meeting and Explanatory Statement is approved.”

Item 10, Resolution 9: Approval of issue of Shares

Note – this resolution will be withdrawn if the Columbia Skies Shares have been issued before the Meeting

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

“That, for the purposes of Listing Rule 7.1 (if the Columbia Skies Shares are not issued before the Meeting) and for all other purposes, the Company approves the proposed allotment and issue to Columbia Skies of 7,831,785 Shares at an issue price of ZAR1.27 per Share, and on the terms set out in the Explanatory Memorandum accompanying the Notice.”

Item 11, Resolution 10, Approval of 10% Placement Capacity

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a special resolution:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Procedures

Exclusively Virtual Meeting

On 22 September 2020, temporary modifications to the Corporations Act under the Corporations (Coronavirus Economic Response) Determination (No. 3) 2020 (Determination) took effect.

These modifications facilitate the holding of meetings (including AGM's) via virtual technology. Among other things, the Determination provides that a vote taken at a meeting must be taken on a poll by using one or more technologies to give each person entitled to vote the opportunity to participate in the vote and, where practicable, by recording their vote in advance of the meeting.

All resolutions at the Meeting will be voted on by poll and Shareholders who are entitled to vote may vote either prior to the Meeting by appointing a proxy or by poll during the Meeting (such poll to be taken electronically).

Further details of the voting methods open to Shareholders are set out in detail below.

Shareholders are strongly encouraged to either vote prior to the Meeting or to appoint the Chair of the Meeting as their proxy.

How Shareholders Can Participate:

Voting by Proxy

Shareholders are strongly urged to appoint the Chair of the Meeting as their proxy. Shareholders can complete the proxy form to provide specific instructions on how a Shareholder's vote is to be exercised on each item of business, and the Chair of the Meeting must follow your instructions.

If you do not mark any of the boxes on a given item, the proxy may vote as the proxy chooses.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Lodging the Proxy Form

The Company encourages you to register your voting or proxy instructions online at the Share Registrar website www.investorvote.com.au.

Participating online is simple, secure and the most efficient method of providing your instruction.

To log in to Investor Vote:

- a) Go online to www.investorvote.com.au;
- b) Enter the Control Number – which can be found on the enclosed Proxy Form;
- c) Enter your Security Reference Number (SRN) or Holder Identification Number (HIN) – which can be found on the enclosed Proxy Form;
- d) Enter your post code; and

e) Submit your proxy vote

Alternatively, a Proxy Form for appointment of a proxy is enclosed with this Notice. If you wish to appoint a proxy, please complete the Proxy Form in accordance with the instructions on the back of the Proxy Form and return it in accordance with the instructions set out in the Proxy Form.

To be valid your Proxy Form must be received by 10:00am (London time) on 18 November 2020.

Voting by Poll

Shareholders who wish to vote by poll during the virtual Meeting must first notify the Company Secretary of their intention by emailing tonyb@endeavourcorp.com.au by no later than 10:00am (London time) on 19 November 2020, the day prior to the Meeting and provide their registered Shareholding details and the Company Secretary will verify their Shareholding.

Shareholders will be able to submit their email poll votes immediately after the Chair calls for a vote on each Resolution and up to a period of one hour after the Meeting ends. This means that the outcome of each Resolution will not be able to be determined until after the conclusion of the Meeting to allow the Company Secretary sufficient time to count such poll votes submitted by email.

Voting Exclusion Statements

Resolution 1

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- b) a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- b) the voter is the Chair and the appointment of the Chair as proxy:
 - i) does not specify the way the proxy is to vote on this Resolution; and
 - ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolutions 2 to 4

There is no voting exclusion statement in relation to Resolutions 2 to 4.

Resolution 5 and 6

The Company will disregard any votes cast in favour of each of Resolution 5 and 6 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 5 or 6 (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 5 and 6 (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 Resolution 5 and 6 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.

Resolution 7

The Company will disregard any votes cast on Resolution 7 by:

- He Yi;
- Pan African Resources Plc;
- Dendocept Proprietary Limited;
- MSP Capital Proprietary Limited; and

However, the Company need not disregard a vote cast by such a person if the vote is cast by a person as proxy for a person entitled to vote on Resolution 7, in accordance with the directions on the proxy form or the vote is cast by the person chairing the Meeting, as proxy for a person entitled to vote on Resolution 7, in accordance with the directions on the proxy form.

Resolutions 8 and 9

The Company will disregard any votes cast on Resolutions 8 and 9 by Columbia Skies Holdings Proprietary Limited, any other person who might obtain a benefit (except a benefit solely in the capacity of a holder of shares) if the resolution is passed, and any of their associates.

However, the Company need not disregard a vote if the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or the vote is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form.

Resolution 10

The Company will disregard any votes cast in favour of Resolution 10 by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in

accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
- ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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.

ITEM 1: 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 2020, 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.

ITEM 2, RESOLUTION 1: REMUNERATION REPORT

The Directors' report for the year ended 30 June 2020 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 2021 annual general meeting, the Company will be

required to put a resolution to the 2021 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 2021 annual general meeting. All of the Directors (other than the managing director (if any)) who were in office when the 2021 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 2019 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.

ITEM 3, RESOLUTION 2: RE-ELECTION OF DIRECTOR – ANDREW MIFFLIN

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.

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

Andrew Mifflin

Mr Mifflin obtained his BSc. (Hons) Mining Engineering from Staffordshire University and has a Master’s Degree in Business Administration. Andrew has over 30 years’ experience specifically in the coal mining arena. His experience spans across various organisations such as British Coal Corporation, Xstrata and more recently GVK Resources. He has gained in depth knowledge in coal operations, both thermal and hard coking coal as well as in project development.

Directors’ recommendation

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

ITEM 4, RESOLUTION 3: RE-ELECTION OF DIRECTOR – AN CHEE SIN

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.

An Chee Sin retires by rotation in accordance with the Constitution and, being eligible, offers himself for re-election.

An Chee Sin

Mr Chee Sin is an Accredited Tax Practitioner with the Singapore Institute of Accredited Tax Professionals and is also a Chartered Accountant with the Institute of Singapore Chartered Accountants. He has more than 17 years of extensive experience in international and local corporate taxation and co-founded Pinnacle Tax Services Pte Ltd (Pinnacle Tax) in 2004. Prior to joining Pinnacle Tax he held the position of Director of Corporate Tax with KPMG and has coordinated various advisory projects, including cross-border fund structures, corporate restructurings, treasury and mergers and acquisitions.

Directors’ recommendation

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

ITEM 5, RESOLUTION 4: ELECTION OF DIRECTOR – ZHEN HE

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.

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

Zhen (Brian) He

Mr Zhen He holds a bachelor's degree in business administration from Sichuan University and is currently Marketing and Public Relations Executive for Pan African Mining Pvt. Ltd. Between 2012 and 2015, Brian worked as Managing Director of Real Gain Investment Pvt. Ltd and was responsible for infrastructure and construction market development, as well as overseas market investments. He has previously served as Construction Manager for CRI – Eagle Investments (Pty) Ltd and Eagle Canyon Investments (Pty) Ltd.

Directors' recommendation

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

ITEM 6, RESOLUTION 5: GRANT OF PERFORMANCE RIGHTS TO MS BERLIN (ACTING CEO)

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 Acting CEO, Ms Berlin, is an Executive Director, the purpose of Resolution 5 is for shareholders to approve the proposed grant of Performance Rights under the Company's Performance Rights Plan ("**Performance Rights**") to Ms Berlin.

The Board believes that part of the remuneration for 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 Ms Berlin, the Board has considered market practice among comparable companies listed on the ASX.

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

Related Party Benefit

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

- the circumstances of the Company; 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 Ms Berlin.

Requirements of Listing Rule 10.14 and 10.15 – Resolution 5

The following information in relation to the Performance Rights that may be granted to Ms Berlin pursuant to Resolutions 5 is provided to shareholders for the purposes of Listing Rule 10.15:

- a) **Number of securities:** Listing Rule 10.15.3 provides that where the number of securities that may be acquired by all persons for whom approval is required is not fixed, the number of securities may be expressed by a maximum number or a formula for calculating the number of securities to be issued.

The number of Performance Rights that may be granted to Ms Berlin will be determined by dividing ZAR 4,751,335 (which is 83% 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.

- 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 2018 AGM the Company obtained shareholder approval under Listing Rule 10.14 for the grant of Performance Rights to Ms Berlin. Following this meeting 635,347 Performance Rights were issued under the Plan to Ms Berlin. None of the Performance Rights have been exercised to date.

At the November 2019 AGM the Company obtained shareholder approval under Listing Rule 10.14 for the grant of Performance Rights to Ms Berlin. Following this meeting 736,428 Performance Rights were issued under the Plan to Ms Berlin. 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. Ms Berlin is the only Director, or associate of a Director, who is 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 Ms Berlin.
- f) **Voting exclusion statement:** A voting exclusion statement in relation to Resolutions 5 is set out in the Notice.
- g) **Date of issue of securities:** Following approval, the Company will issue the Performance Rights to 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 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 5 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 14 October 2020 (C is equal to the 30 day VWAP of the Company's Shares on the JSE on 14 October 2020 of ZAR 1.485);
- b) C is equal to the closing price of the Shares at 14 October 2020; and
- c) C is equal to a closing price 25% below the closing price of the Shares at 14 October 2020.

| | ZAR value of Performance Rights | Number of Performance Rights to be issued | | |
|---|---------------------------------|---|---|---|
| | | (a) | (b) | (c) |
| | | C = 30 day VWAP at 14 October 2020 (ZAR 1.485)* | C = Closing share price at 14 October 2020 (ZAR 1.4)* | C=25% decline in Closing share price at 14 October 2020 (ZAR 1.05)* |
| Performance Rights to be issued to Ms Berlin (Resolution 5) | ZAR 4,751,335 | 3,199,552 | 3,393,810 | 4,525,080 |
| Percentage of fully diluted issued capital | | 2.07% | 2.20% | 2.93% |

**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 5 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

In accordance with the terms of the Performance Rights Plan, all the Performance Rights proposed to be granted to Ms Berlin will be subject to the following vesting conditions, consistent with the prior year.

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 Ms Berlin's Performance Rights will be subject to Ms Berlin 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 Ms Berlin who abstains in respect of the Performance Rights the subject of Resolution 5) recommends the grants of Performance Rights to Ms Berlin for the reasons set out above and recommends that shareholders vote in favour of these Resolutions.

Each of the Directors (other than 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.

ITEM 7, RESOLUTION 6: GRANT OF ADDITIONAL PERFORMANCE RIGHTS TO MS BERLIN (ACTING CEO)

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.

With the resignation of the former CEO in January 2020, Ms Berlin has held the role of Acting CEO and CFO since that time. During this time, Ms Berlin has had to deal with the Covid-19 pandemic and the national lockdown in South Africa which significantly impacted the Company's operations, as well as progressing the Makhado Phase 1 funding process. In the current difficult operating environment, employees are not receiving a bonus or salary increase. As a means of incentivising and retaining critical staff during this time, consistent with the objectives of the Performance Rights Plan, the Directors approved a once-off grant of additional Performance Rights to senior staff vesting on the start-up or hot commissioning of the Makhado Project provided this occurs prior to 31 March 2022.

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 Acting CEO, Ms Berlin, is an Executive Director, the purpose of Resolution 6 is for shareholders to approve the proposed grant of Performance Rights under the Company's Performance Rights Plan ("Performance Rights") to Ms Berlin.

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

Related Party Benefit

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

- the circumstances of the Company; 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 Ms Berlin.

Requirements of Listing Rule 10.14 and 10.15 – Resolution 6

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

- h) **Number of securities:** Listing Rule 10.15.3 provides that where the number of securities that may be acquired by all persons for whom approval is required is not fixed, the number of securities may be expressed by a maximum number or a formula for calculating the number of securities to be issued.

The number of Performance Rights that may be granted to Ms Berlin will be determined by dividing ZAR 1,717,350 (which is 30% 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.

- i) **Price of securities:** The Performance Rights will be granted for no consideration. No exercise price is payable upon exercise of the Performance Rights.

- j) **Securities granted under the Performance Rights Plan under the last approval:** At the November 2018 AGM the Company obtained shareholder approval under Listing Rule 10.14 for the grant of Performance Rights to Ms Berlin. Following this meeting 635,347 Performance Rights were issued under the Plan to Ms Berlin. None of the Performance Rights have been exercised to date.

At the November 2019 AGM the Company obtained shareholder approval under Listing Rule 10.14 for the grant of Performance Rights to Ms Berlin. Following this meeting 736,428 Performance Rights were issued under the Plan to Ms Berlin. None of the Performance Rights have been exercised to date.

- k) **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. Ms Berlin is the only Director, or associate of a Director, who is entitled to participate in the Company's Performance Rights Plan.
- l) **No loans given to acquire securities:** No loans will be provided by the Company in connection with the grant of the Performance Rights to Ms Berlin.
- m) **Voting exclusion statement:** A voting exclusion statement in relation to Resolutions 6 is set out in the Notice.
- n) **Date of issue of securities:** Following approval, the Company will issue the Performance Rights to 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 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 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:

- d) the Performance Rights were to be issued on 14 October 2020 (C is equal to the 30 day VWAP of the Company's Shares on the JSE on 14 October 2020 of ZAR 1.485);
- e) C is equal to the closing price of the Shares at 14 October 2020; and
- f) C is equal to a closing price 25% below the closing price of the Shares at 14 October 2020.

| | ZAR value of Performance Rights | Number of Performance Rights to be issued | | |
|--|---------------------------------|---|---|---|
| | | (a) | (b) | (c) |
| | | C = 30 day VWAP at 14 October 2020 (ZAR 1.485)* | C = Closing share price at 14 October 2020 (ZAR 1.4)* | C=25% decline in Closing share price at 14 October 2020 (ZAR 1.05)* |
| Performance Rights to be issued to Ms Berlin (Resolution 5) | ZAR 4,751,335 | 3,199,552 | 3,393,810 | 4,525,080 |
| Percentage of fully diluted issued capital | | 2.07% | 2.20% | 2.93% |
| | | | | |
| Performance Rights to be issued to Ms Berlin (Resolution 6) | ZAR 1,717,350 | 1,156,464 | 1,226,678 | 1,635,571 |
| Percentage of fully diluted issued capital | | 0.75% | 0.79% | 1.06% |
| | | | | |
| Total | ZAR 6,468,685 | 4,356,016 | 4,620,488 | 6,160,651 |
| Total percentage dilution of fully diluted issued capital | | 2.82% | 2.99% | 3.99% |

**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 5 and 6 where:

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

Vesting Conditions

In accordance with the terms of the Performance Rights Plan, and the necessary approval by the Board of Directors, the Performance Rights proposed to be granted to Ms Berlin in accordance with Resolution 6 will be subject to the following vesting conditions.

Vesting Condition: Vesting of the Performance Rights is subject to the start-up or hot commissioning of the Makhado Project on or before 31 March 2022.

Employment condition: In addition to satisfying the Vesting Condition, the grant of Ms Berlin's Performance Rights will be subject to Ms Berlin 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 Ms Berlin who abstains in respect of the Performance Rights the subject of Resolution 6) recommends the grants of Performance Rights to Ms Berlin for the reasons set out above and recommends that shareholders vote in favour of these Resolutions.

Each of the Directors (other than 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.

ITEM 8, RESOLUTION 7: RATIFICATION OF SECURITIES ISSUED IN PRECEDING 12 MONTH PERIOD

Resolutions 7 seeks shareholder ratification for the issue of an aggregate of 13,331,433 Shares during the last 12 months. Specifically, on 17 August 2020 the Company issued 13,331,433 Shares to three new shareholders and one existing shareholder for a consideration of R15m to advance the Makhado Project and for general working capital.

Reason for ratification

Under Listing Rule 7.1 the Company may not, without shareholder approval, issue equity securities of more than 15% of its total issued securities within a 12 month period.

The 13,331,433 Shares detailed above were issued without shareholder approval under the Company's 15% placement capacity under Listing Rule 7.1. Listing Rule 7.4 permits ratification of previous issues of securities made without prior shareholder approval, provided the issue did not breach the maximum thresholds set by Listing Rule 7.1.

Listing Rule 7.5 contains certain requirements as to the contents of the Notice sent to shareholders for the purposes of subsequent approval of an issue of securities under Listing Rule 7.4. The following information is included in this Explanatory Statement for that purpose:

17 August 2020 – Issue of 13,331,433 Shares

Number of Securities Issued: 13,331,433 Shares.

Price at which Securities were Issued: ZAR1.0556 and GBP 0.0627 per Share.

Terms of the Securities: Fully paid ordinary shares ranking equally with existing ordinary shares on issue.

Names of the Parties to whom the Securities were Issued: He Yi (3,384,999 Shares), Pan African Resources Plc (2,368,199 Shares), Dendocept Proprietary Limited (2,841,838 Shares) and MSP Capital (Pty) Ltd (4,736,397 Shares). The use of the Funds Raised: Private placement to advance the Makhado Project and meet working capital requirements.

Voting Exclusion Statement: A voting exclusion statement is included in the Notice.

Voting

Note that a voting exclusion applies to Resolution 7 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 Resolutions 7.

ITEMS 9 AND 10, RESOLUTIONS 8 AND 9: RATIFICATION AND APPROVAL OF SECURITIES ISSUED

Resolutions 8 and 9 seek shareholder approval and ratification pursuant to Listing Rule 7.1 or Listing Rule 7.4, as applicable, for the allotment and issue or the proposed allotment and issue to Columbia Skies Holdings Proprietary Limited. Depending on whether the Shares have been issued before the Meeting, the Company will withdraw either Resolution 8 or Resolution 9.

Reason for approval or ratification (as applicable)

Listing Rule 7.1 requires shareholder approval for the proposed issue of securities in the Company. Listing Rule 7.1 broadly provides, subject to certain exceptions, that a listed company must not, without prior approval of its shareholders, issue or agree to issue securities if the number of securities issued, or when aggregated with the number of securities issued by the Company during the previous 12 months, exceeds 15% of the number of securities on issue at the commencement of that 12 month period plus, amongst other things, the number of securities issued in the 12 month period with approval under Listing Rule 7.1 or 7.4.

Listing Rule 7.4 provides that where a company in general meeting ratifies a prior issue of shares made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) that allotment and issue of securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

Listing Rule 7.5 contains certain requirements as to the contents of the Notice sent to shareholders for the purposes of subsequent approval of an issue of securities under Listing Rule 7.4. The following information is included in this Explanatory Statement for that purpose:

Approval and ratification of the issue of Columbia Skies Shares

The Directors are seeking, under Resolutions 8 or 9, shareholder approval or ratification pursuant to Listing Rule 7.1 or Listing Rule 7.4, as applicable (depending on whether the Columbia Skies Shares are issued before or after the Meeting), for the allotment and issue or the proposed allotment and issue to Columbia Skies of the shares, so that the shares do not reduce the ability of the Company to issue further securities up to the full 15% limit during the next 12 months.

The following information in relation to the Shares to be issued pursuant to Resolutions 8 and 9 is provided to shareholders for the purposes of Listing Rule 7.3 and Listing Rule 7.5:

Number of Securities Issued: 7,831,785 Shares.

Price at which Securities were Issued: ZAR 1.27 per Share.

Terms of the Securities: Fully paid ordinary shares ranking equally with existing ordinary shares on issue.

Names of the Parties to whom the Securities were Issued: Columbia Skies Holdings Proprietary Limited.

The use of the Funds Raised: Private placement to advance the Maklhado Project and meet working capital requirements.

Date of Issue: Unless the Shares have already been allotted and issued as at the date of this Meeting, the Company will allot and issue the Shares no later than 3 months after the date of the Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules. The Shares will have been, or will be, allotted on one date.

Voting Exclusion Statement: A voting exclusion statement is included in the Notice.

Voting

Note that a voting exclusion applies to Resolutions 8 and 9 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 Resolutions 8 and 9.

ITEM 11, RESOLUTION 10: APPROVAL OF 10% PLACEMENT CAPACITY

Background

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (10% Placement Capacity) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

(a) Is not included in the S&P/ASX 300 Index; and

(b) Has a maximum market capitalization (excluding restricted securities and securities quoted on a deferred settlement basis) of AUD\$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of AUD\$16,986,151 (based on the number of Shares on issue and the closing price of Shares on the ASX on 15 October 2020).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security. Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities. As at the date of this Notice, the Company currently has one (1) class of quoted Equity Securities on issue, being the Shares (ASX Code: MCM).

If Shareholders approve Resolution 10, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.If

Shareholders do not approve Resolution 10, the Company will not be able to access the 10% Placement Capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in ASX Listing Rule 7.1.

Resolution 10 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 10 for it to be passed.

Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 10:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) The date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) If the Equity Securities are not issued within 10 ASX trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
 - (ii) the time and date of the Company's next annual general meeting; and
 - (iii) the time and date of approval by Shareholders of a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking),
- (10% Placement Capacity Period).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 10 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in Table 1 below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue as at 14 October 2020.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Table 1: 10% Placement Capacity – Economic & Voting Dilution

| Number of Shares on Issue (Variable A in ASX Listing Rule 7.1A2) | Dilution | | | |
|---|--|---|----------------------|---|
| | Issue Price (per Share) | R0.70 50% decrease in issue price | R1.40 Issue Price | R2.10 50% increase in issue price |
| 154,419,555 (Current Variable A) | Shares Issued (10% voting dilution) | 15,441,955 Shares | 15,441,955 Shares | 15,441,955 Shares |
| | Funds raised | R10,809,368 | R21,618,737 | R32,428,105 |
| 231,629,332 (50% increase in Variable A) | Shares Issued (10% voting dilution) | 23,162,933 Shares | 23,162,933 Shares | 23,162,933 Shares |
| | Funds raised | R16,214,053 | R32,428,106 | R48,642,159 |
| 308,839,110 (100% increase in Variable A) | Shares Issued (10% voting dilution) | 30,883,911 Shares | 30,883,911 Shares | 30,883,911 Shares |
| | Funds raised | R21,618,737 | R43,237,475 | R64,856,213 |

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

Table 1 above uses the following assumptions:

- 1) There are currently 154,419,555 Shares on issue comprising 154,419,555 existing Shares as at the date of this Notice of Meeting.
- 2) The issue price set out above is the closing price of the Shares on the JSE on 14 October 2020.
- 3) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- 4) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
- 5) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. The Company does not currently have any Options on issue and has no intention of issuing Options prior to the Meeting.
- 6) The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- 7) This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- 8) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- 9) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- 1) The market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- 2) The Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose and use of funds raised by issue under 10% Placement Capacity

The Company intends to use funds raised from issues of Equity Securities under the 10% Placement Capacity for:

- (i) the acquisition of new assets and investments (including expenses associated with such acquisitions); and
- (ii) general working capital etc.

The Company will comply with the disclosure obligations under Listing Rule 7.1A(4) upon issue of any Equity Securities.

(e) Allocation policy under the 10% Placement Capacity

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- i. the purpose of the issue;
- ii. alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- iii. the effect of the issue of the Equity Securities on the control of the Company;
- iv. the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- v. prevailing market conditions; and
- vi. advice from corporate, financial and broking advisers (if applicable).

(f) Previous approval under ASX Listing Rule 7.1A

The Company has not previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A.

(g) Compliance with ASX Listing Rules 7.1A.4

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must:

- i. give to ASX a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and

ii. state in its announcement of the proposed issued under Listing Rule 3.10.3 or in its application for quotation of the securities. under Listing Rule 2.7 that the securities are being issued under Listing Rule 7.1A.

Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 10.

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.

Columbia Skies means Columbia Skies Holdings Proprietary Limited

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.

Equity Security has the meaning given to that term on page 17 of the Explanatory Statement.

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



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00 AM (London time) / 6:00 PM (Perth time) on Wednesday, 18 November 2020.**

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.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at 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

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 as a virtual meeting on Friday, 20 November 2020 at 10:00 AM (London time) / 6:00 PM (Perth 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, 5 and 6 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 5 and 6 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, 5 and 6 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 | | | For | Against | Abstain |
|---|--|--------------------------|--------------------------|--------------------------|----|------------------------------------|--------------------------|--------------------------|--------------------------|
| 1 | Non-binding resolution to adopt Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 9 | Approval of issue of Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 | Re-election of Director – Andrew Mifflin | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 10 | Approval of 10% Placement Capacity | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 | Re-election of Director – An Chee Sin | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | |
| 4 | Re-election of Director – Zhen He | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | |
| 5 | Grant of Performance Rights to Director – Brenda Berlin | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | |
| 6 | Grant of Additional Performance Rights to Director – Brenda Berlin | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | |
| 7 | Ratification of Shares issued in preceding 12 month period - 13,331,433 Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | |
| 8 | Ratification of Shares issued in preceding 12 month period - 7,831,785 Shares | <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

2 6 9 2 5 8 A



Computershare



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, 20 November 2020

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, 17 November 2020 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 2020 Integrated Report and Notice of Meeting is available online, simply visit: www.mcmining.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 "Depositary") 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 **via virtual meeting**, on **Friday, 20 November 2020 at 10.00 am** and at any adjournment thereof.

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 – Andrew Mifflin | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Re-election of Director – An Chee Sin | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Re-election of Director – Zhen He | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Grant of Performance Rights to Director – Brenda Berlin | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Grant of Additional Performance Rights to Director – Brenda Berlin | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Ratification of Shares issued in preceding 12 month period | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Ratification of Shares issued in preceding 12 month period | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Approval of issue of Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Special Business | | | |
| 10. Approval of 10% Placement Capacity | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Signature

Date



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.



H 9 2 1

2 3

C Z A



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, 20th NOVEMBER 2020 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 on Friday, 20 November 2020 at 10:00 am (BST), which will be held as a virtual meeting, 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 on Friday, 20 November 2020 at 10:00 am (BST), which will be held as a virtual meeting, and at any adjournment or postponement of that Meeting, 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 |
|------------------------------|---|-----|---------|---------|
| Ordinary Resolution 1 | Non-binding resolution to adopt Remuneration Report | | | |
| Ordinary Resolution 2 | Re-election of Director – Andrew Mifflin | | | |
| Ordinary Resolution 3 | Re-election of Director – An Chee Sin | | | |
| Ordinary Resolution 4 | Re-election of Director – Zhen He | | | |
| Ordinary Resolution 5 | Grant of Performance Rights to Director - Brenda Berlin | | | |
| Ordinary Resolution 6 | Grant of Additional Performance Rights to Director - Brenda Berlin | | | |
| Ordinary Resolution 7 | Ratification of Shares issued in preceding 12 month period | | | |
| Ordinary Resolution 8 | Ratification of Shares issued in preceding 12 month period (Columbia Skies Placement) | | | |
| Ordinary Resolution 9 | Approval of issue of Shares | | | |
| Special Resolution 10 | Approval of 10% Placement Capacity | | | |

Signed at _____ on _____ 2020

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 initialled 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, (Private Bag X9000, Saxonwold, 2132, South Africa), faxed to +27 11 688-5238 or emailed to Proxy@Computershare.co.za to be received by no later than Wednesday, 18 November 2020 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. Private Bag X9000, Saxonwold, 2132, South Africa
Fax: +27 11 688-5238
Email: Proxy@Computershare.co.za