



4 March 2024

ASX Market Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

Lodgement of Target's Statement by MC Mining Limited ACN 008 905 388 (ASX: MCM)

Dear Ms Sandra Wutete

MC Mining Limited ACN 008 905 388 (**MCM**) refers to the off-market takeover bid by Goldway Capital Investment Limited CR No. 3294426 (**Goldway**) for all of the issued shares not already held by the bidder and its associated consortium members.

In accordance with item 14 of subsection 633(1) of the Corporations Act 2001 (Cth), we enclose a copy of the target's statement prepared by MCM (**Target's Statement**) in relation to the off-market takeover bid. The Independent Expert was not able to complete the work required to produce the Independent Expert Report in the time available before the statutory deadline of 4 March 2024. Accordingly, the Independent Expert's Report and opinion will be included in a supplementary target's statement to be lodged by MCM on or around 18 March 2024 and sent to Goldway and MCM shareholders at that date.

A copy of the Target's Statement has today been lodged with the Australian Securities & Investments Commissions and sent to Goldway.

In accordance with section 110D and item 12 of section 633(1) of the Corporations Act, the Target's Statement is being despatched to MCM shareholders today by the following means:

- MCM shareholders who have provided MCM with an electronic address for the purposes of receiving electronic copies of shareholder communications will, unless they have validly elected to receive hard copies of shareholder communications, be sent by email a letter providing a link to an electronic copy of the Target's Statement (**Access Letter**); and
- MCM shareholders who have not provided MCM an electronic address for the purposes of receiving electronic copies of shareholder communications, and MCM shareholders who have validly elected to receive hard copies of shareholder communications, will be sent a hard copy of the Access Letter to their registered postal address.

A copy of the Access Letter is attached to this notice.

WEB WWW.MCMINING.CO.ZA

EMAIL ADMINZA@MCMINING.CO.ZA

AU Suite 8, 7 The Esplanade, Mount Pleasant, Perth WA 6153, Australia **Tel** +61 8 9316 9100 **Fax** +61 8 9316 5475

ZA Ground Floor, Graystone Building, Fourways Golf Park, Roos Street, Fourways, 2191 **Tel** +27 10 003 8000 **Fax** +27 11 388 8333

Chairman Nhlanhla Nene **Chief Executive Officer and Managing Director** Godfrey Gomwe

Non-executive directors An Chee Sin, Andrew Mifflin, Brian He Zhen, Khomotso Mosehla, Mathews Senosi, Yi He, Julian Hoskin



Yours faithfully

A handwritten signature in black ink, appearing to be "Tony Bevan", with a long horizontal stroke extending to the right.

Tony Bevan
Company Secretary
MC Mining Limited (ASX: MCM / ACN 008 905 388)
Encl

WEB WWW.MCMINING.CO.ZA

EMAIL ADMINZA@MCMINING.CO.ZA

AU Suite 8, 7 The Esplanade, Mount Pleasant, Perth WA 6153, Australia **Tel** +61 8 9316 9100 **Fax** +61 8 9316 5475

ZA Suit 7, Waverley Office Park, 15 Forest Road, Bramley, Johannesburg, 2090, South Africa **Tel** +27 10 003 8000 **Fax** +27 11 388 8333

Chairman Bernard R. Pryor **Interim CEO** Sebastiano Randazzo

Non-executive directors Andrew D Mifflin, Khomotso B. Mosehla, Shangren Ding, An Chee Sin, Brian H Zhen



4 March 2024

ASX Code: MCM

Dear MC Mining Shareholder

TARGET STATEMENT – OFF MARKET TAKEOVER OFFER FROM GOLDWAY CAPITAL INVESTMENT LIMITED

This notice informs you that MC Mining Limited (**MCM** or the **Target**) has now released its Target's Statement and provides instructions as to how you can access it. The Target's Statement sets out MCM's formal response to the off-market takeover offer from Goldway Capital Investment Limited (**Goldway**) and MCM's Independent Board Committee's recommendation. It is an important document and requires your immediate attention.

Goldway and a consortium of shareholders of the MCM (together the **Joint Bidders**) have sent you a Bidder's Statement for their off-market takeover bid for all of the issued ordinary shares not already held by the Joint Bidders for A\$0.16 in cash for each share (**Goldway Offer**). Goldway made the offer to MCM shareholders on 16 February 2024.

The Target's Statement does not include the Independent Experts Report. The Target's Statement will be supplemented with a Supplementary Target's Statement which will include a copy of the Independent Experts Report, to be sent around 18 March 2024.

Your Independent Board Committee of MCM unanimously recommends that you DO NOT ACCEPT the Goldway Offer. The Supplementary Target's Statement will either confirm or notify of any change to the Independent Board Committee's recommendation following the conclusion of the Independent Expert.

You can access the Target's Statement electronically on MCM's website at the following link:
www.mcmining.co.za

You may also request a hard copy of the Target's Statement be sent to you by contacting MCM's shareholder information helpline on 0461 444 038 from within Australia or +61 461 444 038 from overseas on Monday to Friday between 9.00am and 7.00pm (AEST) or the Company Secretary on email: tonyb@westozcorporate.com.au

If you request a hard copy of the Target's Statement it will be sent to you by pre-paid airmail post or by courier.

Thank you for your continued support as a MCM Shareholder.

Yours sincerely

Mr Khomotso Mosehla

Chair of the Independent Board Committee and Non-Executive Director

MC Mining Limited

WEB WWW.MCMINING.CO.ZA

EMAIL ADMINZA@MCMINING.CO.ZA

AU Suite 8, 7 The Esplanade, Mount Pleasant, Perth WA 6153, Australia **Tel** +61 8 9316 9100 **Fax** +61 8 9316 5475

ZA Suit 7, Waverley Office Park, 15 Forest Road, Bramley, Johannesburg, 2090, South Africa **Tel** +27 10 003 8000 **Fax** +27 11 388 8333

Chairman Bernard R. Pryor **Interim CEO** Sabastiano Randazzo

Non-executive directors Andrew D Mifflin, Khomotso B. Mosehla, Shangren Ding, An Chee Sin, Brian H Zhen



MCMining
LIMITED

This is an important document and requires your immediate attention.

If you are in any doubt about how to deal with this document, you should contact your legal, financial, tax or other professional adviser immediately.

Target's Statement

ISSUED BY

MC Mining Limited ACN 008 905 388

IN RESPONSE TO THE ALL-CASH OFFER BY

Goldway Capital Investment Limited CR No. 3294426

FOR ALL OF THE ISSUED SHARES NOT ALREADY HELD BY THE BIDDER AND ITS ASSOCIATED CONSORTIUM MEMBERS

THE INDEPENDENT BOARD COMMITTEE **UNANIMOUSLY RECOMMEND** THAT YOU

DO NOT ACCEPT THE OFFER

This Target's Statement will be supplemented with the Supplementary Target's Statement, which will contain the Independent Expert's Report and the opinion of the Independent Expert.

Financial Adviser

Adelaide Equity Partners Limited

Australian Solicitors

K&L Gates LLP



Important information

Important dates

Event	Date
Bidder's Statement lodged and announced on ASX	Friday, 2 February 2024
Announcement of Offer on ASX and Bidder's Statement given to ASX	Friday, 2 February 2024
Register Date for Target Shareholders	7.00pm (Sydney time), Monday, 5 February 2024
First Supplementary Bidder's Statement lodged and announced on ASX	Thursday, 15 February 2024
Date of Offer (Offer opens)	Friday, 16 February 2024
Bidder's Statement dated 2 February 2024 with First Supplementary Bidder's Statement dated 15 February 2024 sent by the Bidder to Target Shareholders at the Register Date	17 February 2024
This Target's Statement lodged with ASIC and sent to the Bidder and Target Shareholders and given to ASX	Monday, 4 March 2024
Anticipated date the Supplementary Target's Statement with Independent Expert's Report will be lodged with ASIC and sent to the Bidder and Target Shareholders and given to ASX	On or around Monday, 18 March 2024
Anticipated date of notice on status of defeating conditions given by the Bidder	Friday, 22 March 2024
Anticipated last day to trade in Target Shares on JSE in order to participate in the Offer	Tuesday, 2 April 2024
Anticipated last day to trade in Target Shares on ASX and AIM in order to participate in the Offer	Wednesday, 3 April 2024
Target Shares trade 'ex' the Offer on JSE	Wednesday, 3 April 2024
Target Shares trade 'ex' the Offer on ASX	Thursday, 4 April 2024
Anticipated Register acceptance date to determine which Target Shareholders (on the Target Australian Register, Target South African Register and Target United Kingdom Register) are eligible to accept the Offer (Record Date to participate in the Offer)	Friday, 5 April 2024

Offer closes (unless extended or withdrawn in accordance with the Corporations Act)	7.00pm (Sydney time)/10.00am (South Africa time) on Friday, 5 April 2024
Anticipated earliest date Offer Consideration paid to Target Shareholders	Monday, 15 April 2024
Results of Offer announced on ASX, AIM and JSE	

Note: Future dates in this timetable are accurate as at the date of this Target's Statement but may be subject to change in accordance with the Corporations Act 2001 (Cth) and requirements of the Listing Rules of the ASX, JSE and AIM.

Target's Statement

This is the Target's Statement issued by MC Mining Limited ACN 008 905 388 (the **Target**) under Part 6.5 of Chapter 6 of the Corporations Act in response to the all-cash off-market takeover bid made by Goldway Capital Investment Limited CR No. 3294426 (the **Bidder**) for all of the Shares which the Bidder and Consortium Members do not currently own (**Offer**), as set out in the Bidder's Statement issued by the Bidder on Friday, 2 February 2024 and which was served on the Target on the same date.

Supplementary Target's Statement will contain the Independent Expert's opinion and the Independent Expert's Report

BDO Corporate Finance (WA) Pty Ltd ACN 124 031 045 (**BDO**) has been appointed by the Target as independent expert (**Independent Expert**) to assess the merits of the Offer and to prepare the Independent Expert's Report. SRK Consulting (Australasia) Pty Ltd ACN 074 271 720 (**SRK**) is the technical mining expert (**Technical Mining Expert**) for the Independent Expert, BDO.

This Target's Statement does not contain the Independent Expert's Report. This Target's Statement will be supplemented with the Supplementary Target's Statement. The Supplementary Target's Statement will contain the Independent Expert's Report and the opinion of the Independent Expert.

The Supplementary Target's Statement will either confirm or change the recommendations of the Independent Board Committee pending receipt of the Independent Expert's Report and the opinion of the Independent Expert.

ASIC and ASX disclaimer

A copy of this Target's Statement has been lodged with ASIC and given to ASX. Neither ASIC nor ASX, nor any of their respective officers, take any responsibility for the contents of this Target's Statement.

JSE disclaimer

A copy of this Target's Statement has been lodged with the JSE. The JSE does not take any responsibility for the contents of this Target's Statement.

AIM disclaimer

AIM does not take any responsibility for the contents of this Target's Statement.

Defined terms and interpretation

Unless defined in the body of this Target's Statement, capitalised terms used in this Target's Statement are defined in Section 12.1. The rules of interpretation that apply to this Target's

Statement are also set out in Section 12.2.

No account of personal circumstances

The Independent Board Committee recommend that you read this Target's Statement and the Bidder's Statement and First Supplementary Bidder's Statement in full and seek independent advice if you have any queries in respect of the Offer. The information contained in this Target's Statement does not constitute personal advice or financial product advice. In preparing this Target's Statement, the Target has not taken into account the individual investment objectives, financial situation, taxation position or particular needs of any Target Shareholder or any other person. This Target's Statement does not contain personal legal, financial or taxation advice. It is important that you read this Target's Statement before making any decision, including a decision on whether or not to accept the Offer. It is recommended that you seek your own independent legal, financial, or other professional advice before making a decision as to whether or not to accept the Offer for your Target Shares. Target Shareholders should consult their taxation adviser as to the applicable tax consequences of the Offer for their individual circumstances.

Forward-looking statements

This Target's Statement contains forward-looking statements, including statements of current intention or expectation, statements of opinion and predictions as to possible future events. All statements other than statements of historical fact are by definition likely to be forward-looking statements. You should be aware that such statements are predictions and are subject to inherent risks and uncertainties, many of which are beyond the control of the Target. These forward-looking statements are based on, among other things, the Target's assumptions, expectations, estimates, objectives, plans and intentions as at the date of this Target's Statement. Although the Target believes that the expectations reflected in any forward-looking statement included in this Target's Statement are reasonable, no assurance can be given that such expectations will provide to be correct. Actual events or results may differ materially from the events or results expected or implied in any forward-looking statement. None of the Target, any of its directors, officers or employees, any person named in this Target's Statement with their consent, or any person involved in the preparation of this Target's Statement makes any representation or warranty (whether express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any such forward-looking statements. The forward-looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement. Any forward-looking statement in this Target's Statement is qualified by this cautionary statement.

No forecast financial information

Given the nature of resources, there are significant uncertainties associated with forecasting future revenues and expenses of the Target. On this basis and after considering ASIC Regulatory Guide 170, the Independent Board Committee believes that reliable financial forecasts for the Target cannot be prepared and accordingly have not included financial forecasts in this Target's Statement.

Risks

Target Shareholders should note that there are a number of risk factors attached to their investment in the Target and other risks which apply in the event the Offer is accepted. Section 9 of this Target's Statement sets out further information regarding those risks.

Foreign jurisdictions

The release, publication or distribution of this Target's Statement in jurisdictions outside of Australia may be restricted by law or regulation. Accordingly, persons outside of Australia who come into possession of this Target's Statement should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws or regulations.

Unless otherwise permitted by applicable law and regulation, the Offer shall not be capable of acceptance from or within a Restricted Jurisdiction. Accordingly, copies of this Target's Statement and any other accompanying document must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent (including, without limitation, by way of facsimile, transmission, telephone or internet) in, into or from a Restricted Jurisdiction and persons receiving this Target's Statement and any other accompanying document (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions as doing so may invalidate any purported acceptance of the Offer. The availability of the Offer to persons who are not resident in Australia, South Africa or the United Kingdom may be affected by the laws of their relevant jurisdiction. Such persons should inform themselves about and observe any applicable legal or regulatory requirements of their jurisdiction.

This Target's Statement has been prepared in accordance with Australian law and the information contained in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with laws and regulations outside of Australia.

As the Target is incorporated in Australia and is not resident in the United Kingdom, Channel Islands or the Isle of Man, it is not subject to the UK Takeover Code. Similarly, the Target is not incorporated in South Africa and is not subject to the South African Take-Over Regulations. Accordingly, this Target's Statement has not been prepared in accordance with the requirements of the UK Takeover Code or the South African Take-Over Regulations.

Shareholders on the Target South African Register

If you are in any doubt about the content of this Target's Statement or the action you should take, please consult your Broker, CSDP, attorney, accountant, banker or other professional advisor immediately. If you wish to not accept the Offer, take no action. If you wish to accept the Offer in respect of Target Shares held on the Target South African Register please see Section 5.3 of this Target's Statement. If you have disposed of all of your Target Shares, then the Bidder's Statement and this Target's Statement should be forwarded to the purchaser to whom, or the Broker, agent, CSDP or banker through whom you have disposed of your Target Shares.

Shareholders on the Target United Kingdom Register (i.e. if you hold your Target Shares via UK Depositary Interests in CREST)

If you are in any doubt about the contents of this Target's Statement or what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.

In order for the Offer to be capable of being accepted in respect of Target Shares held on the Target United Kingdom Register (i.e. in respect of UK Depositary Interests in respect of Target Shares), the Bidder has appointed a UK Receiving Agent, details of which are set out in the First Supplementary Bidder's Statement dated 15 February 2024. Instructions for Target Shareholders on the Target United Kingdom Register on how to reject or accept the Offer are contained in the Bidder's Statement and First Supplementary Bidder's Statement. Please see Section 5.3 of this Target's Statement for further information.

Disclaimer as to information about the Bidder

The information on the Bidder contained in this Target's Statement has been prepared by the Target using information in the Bidder's Statement.

Information contained in this Target's Statement concerning the Bidder has not been verified by the Target. Accordingly, the Target does not, subject to the Corporations Act, make any representation

or warranty, express or implied, as to the accuracy or completeness of any such information.

This Target's Statement includes references to the Bidder's Statement. The Bidder has not consented to these references being included in, or referred to, in the form and context in which they are included.

Further information relating to the Bidder is included in the original Bidder's Statement which was provided to the Target on Friday, 2 February 2024, as supplemented by the First Supplementary Bidder's Statement dated 15 February 2024.

Privacy

The Target has collected your information from its share register for the purpose of providing you with this Target's Statement. Such information may include the name, contact details and shareholdings of Target Shareholders and the names of persons appointed to act as proxy, attorney or corporate representative of Target Shareholders. Without this information, the Target would be hindered in its ability to issue this Target's Statement.

The Corporations Act requires the name and address of Target Shareholders to be held in a public register. Personal information of the type described above may be disclosed on a confidential basis to the Target and its Related Bodies Corporate, other Target Shareholders and external service providers (including the Registry), and may be required to be disclosed to regulators, such as ASIC. If you would like details of information about you held by the Target, please contact us as set out below.

Financial amounts

All financial amounts in this Target's Statement are expressed in Australian currency unless otherwise stated.

Charts and Diagrams

Any diagrams, charts, maps, graphs and tables appearing in this Target's Statement are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in diagrams, charts, maps, graphs and tables is based on information available at the date of this Target's Statement.

Rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Target's Statement are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Target's Statement.

Target Shareholder Information Line

If you have any queries in relation to the Offer, please call the Target Shareholder Line on +61 461 444 038 between 9.00am and 7.00pm (Sydney time) on Business Days (if calling from within Australia) or between 11am - 1pm (Johannesburg time) or 9am - 11am (London time).

Table of Contents

Important information	2
Important dates	2
Table of Contents	7
Letter from the Chair of the Independent Board Committee	10
1. Frequently Asked Questions	14
2. Summary of the Offer	24
3. Reasons why you should NOT ACCEPT the Offer	27
3.1. Independent Board Committee recommendation to NOT ACCEPT the Offer	27
3.2. The Independent Expert's Report will accompany the Supplementary Target's Statement	27
3.3. The Offer Price does not represent an attractive premium for control	27
3.4. The Offer Price is opportunistically timed to deprive Target Shareholders of future potential value	29
3.5. The Offer Price does not fairly value the Target	33
3.6. The reasons given by the Bidder are not compelling	34
3.7. You may consider that there is potential for a superior proposal to emerge	36
4. Reasons why you may decide to accept the Offer	37
4.1. You may disagree with the recommendations of the Independent Board Committee	37
4.2. You may prefer to sell your Target Shares on market	37
4.3. The Offer provides certain and immediate value in the form of cash consideration for your entire investment in the Target	37
4.4. No superior proposal has emerged as at the date of this Target's Statement	38
4.5. There are risks associated with not accepting the Offer	38
4.6. Potentially adverse consequences if you choose not to accept the Offer	38
4.7. Cash Value	39
4.8. Capital Raise	39
5. Your choices as a Target Shareholder	40
5.1. Option 1 – Reject the Offer	40
5.2. Option 2 – Sell your Target Shares (other than via the Offer / on-market)	40
5.3. Option 3 – Accept the Offer	41
6. Important information about the Offer	44
6.1. Background	44
6.2. Summary of the Offer	44
6.3. Conditions to the Offer	44
6.4. Status of Conditions	47
6.5. Variation of the Offer	47
6.6. Offer Period	48
6.7. Withdrawal of Offer	48
6.8. Withdrawal Rights	48
6.9. Effect of acceptance and your ability to withdraw your acceptance	48
6.10. Superior Proposal	49
6.11. Effect of an improvement in Offer Consideration on Target Shareholders	49
6.12. Effect of the Bidder lodging a compulsory acquisition notice	49
6.13. Bidder's intentions regarding delisting the Target	51
6.14. Entitled to be registered as trustee or nominee	56

6.15.	When you will receive the Offer Price	56
7.	Information about the Target	57
7.1.	Overview of the Target	57
7.2.	Target Group's principal assets and projects	57
7.3.	Directors of the Target	58
7.4.	Key senior management	60
7.5.	Issued securities	61
7.6.	Substantial holders of the Target	61
7.7.	Target Board's interests in the Target Shares, Performance Rights and Options	62
7.8.	Trading or Acquisitions of Relevant Interests by Directors in Target Shares in the last four months	63
7.9.	Benefits and agreements	64
7.10.	Effect of the Offer on the Target's convertible securities	64
7.11.	Related Party Transactions	65
7.12.	Effect of the Offer on the Target's Material Contracts	66
7.13.	Financial position	66
7.14.	Historical financial information	67
7.15.	Future funding requirements	67
7.16.	Intentions of Directors	67
7.17.	Litigation	67
7.18.	Publicly available information and continuous disclosure	67
7.19.	Target Director - Insurance and Indemnities	68
8.	Information on the Bidder	69
8.1.	Disclaimer	69
8.2.	Overview of the Bidder	69
8.3.	Directors of the Bidder	69
8.4.	Authorised representatives of the Bidder	69
8.5.	Joint Bid Deed and Members of the Consortium	70
8.6.	Source of funding of the Offer Price	73
8.7.	Publicly available information about the Bidder	74
8.8.	Further information about the Bidder	74
9.	Risk Factors	75
9.1.	Introduction	75
9.2.	Risks specific to minority ownership – where the Minimum Acceptance Condition is satisfied and the Target is controlled by the Bidder	75
9.3.	Risks associated with rejecting the Offer and continuing as a Target Shareholder	77
9.4.	Risks associated with accepting the Offer	79
10.	Additional Information	82
10.1.	Information included in this Target's Statement	82
10.2.	Independent Expert's Report will accompany the Supplementary Target's Statement	83
10.3.	Disclosure of adviser interests	83
10.4.	Consents	83
10.5.	Consents to be named	84
11.	Taxation	86
11.1.	Australian Tax Considerations	86
11.2.	Australian resident shareholders	86
11.3.	Australian resident shareholders - Goods and services tax	87

11.4.	South African Tax Considerations	88
11.5.	United Kingdom Tax Considerations	90
12.	Glossary and interpretation	91
12.1.	Glossary	91
12.2.	Interpretation	99

Letter from the Chair of the Independent Board Committee

4 March 2024

Dear Target Shareholder

The Independent Board Committee recommends that you DO NOT ACCEPT the Bidder's Offer for your Shares in MC Mining Limited, the Target by taking NO ACTION.

On 2 February 2024 the Bidder lodged its original Bidder's Statement for an all-cash off-market takeover offer for all of the Target Shares which the Bidder and its Associated Consortium Members do not currently own. The Bidder is offering A\$0.16 cash for each Target Share.

The Consortium Members comprise substantial shareholders and related parties, Dendocept Proprietary Limited (**Dendocept**) and Senosi Group Investment Holdings Proprietary Limited (**Senosi**) together with certain other shareholders of the Target, who together represent an aggregate 64.3% of the issued capital of the Target.

The Offer is subject to a number of Conditions as set out in the Bidder's Statement, including that the Bidder Parties receive acceptances for at least 50.1% or more of the Target Shares that they do not have a Relevant Interest in at the commencement date of the Offer (**Minimum Acceptance Condition**). The Offer is also subject to a requirement that if a rival higher bid emerges then the Joint Bidders must either match or make a higher offer, or accept into the rival bid, subject to certain conditions being met.

The Independent Expert's Report will be included in the Supplementary Target's Statement

This Target's Statement sets out the Target's formal response to the Offer. This Target's Statement will be supplemented by the Supplementary Target's Statement.

The Independent Board Committee has appointed BDO as the Independent Expert to assess the merits of the Offer and to prepare an Independent Expert's Report. SRK has been appointed as the Technical Mining Expert for the Independent Expert, BDO. The Independent Expert is not able to complete the work required to produce the Independent Expert's Report in the time available before the statutory deadline of 4 March 2024. Accordingly, the Independent Expert's Report and opinion of the Independent Expert will be included in the Supplementary Target's Statement to be lodged by the Target on or around 18 March 2024 and sent to the Bidder and Target Shareholders at that date.

Independent Board Committee

The Independent Board Committee was established as a sub-committee of the Target Board with responsibility for, amongst other things, considering, evaluating and responding to the Offer. The members of the Independent Board Committee are Mr Khomotso Brian Mosehla (Committee Chairman), Mr Nhlanhla Nene, Mr Julian Hoskin and Mr Andrew Mifflin, each non-executive directors of the Target Board.

Mr Godfrey Gomwe, the CEO and Managing Director, is a member of Management and is an observer on the Independent Board Committee. As an observer on the IBC he is not making a recommendation in this Target's Statement to the Target Shareholders in relation to the Offer.

The conflicted non-Independent Directors of the Target Board are Mr Ontiretse Mathews Senosi, Ms Yi He (Christine), Mr Zhen Brian He and Mr An Chee Sin. Mr Senosi and Ms He are representatives of the Consortium. Each of Mr Senosi, Ms He, Mr He and Mr Sin are Associates of the Bidder and the Consortium Members (Bidder and Consortium Members,

collectively the 'Bidder Parties'). As such, these conflicted Directors are not members of the Independent Board Committee and otherwise represent the interests of the Bidder on the Target Board. For that reason, those non-Independent Directors are not making a recommendation in this Target's Statement to the Target Shareholders in relation to the Offer.

Independent Board Committee's Recommendation

The Independent Board Committee has carefully considered the Offer and unanimously recommends that you **DO NOT ACCEPT** the Offer for the reasons set out in this Target's Statement.

The Independent Board Committee will either confirm its recommendation or change its recommendation in the Supplementary Target's Statement, depending on the opinion of the Independent Expert Report.

In summary, the key reasons why the members of the Independent Board Committee recommend that you reject the Offer are:

- When compared to an initial indicative price range of A\$0.20 - A\$0.23 per share that had been offered under a non-binding takeover proposal from Dendocept and Senosi received on 5 September 2023 (**Initial NBIO Proposal**), the current Offer Price of A\$0.16 represents a discount to the Initial NBIO Proposal of between 20.0%- 30.4% per Share.
- The Offer Price does not provide an attractive premium for control based on the Target's historical trading prices prior to the date of the announcement of the Offer and falls below the typical premium for an Australian change of control transaction¹.
- The Offer Price of A\$0.16 per Target Share represents a premium of only 1.4% to the Target's 6 month VWAP of the Target Shares to 3 November 2023, being the date that the intention to make a takeover bid by the Consortium was announced, and a discount of 27.4% to the 12 VWAP of the Target Share to that date.
- The Offer Price fails to take into account the premium for control and the embedded value of the Target's assets that the Bidder Parties are seeking to acquire through the joint bid.
- The Offer is opportunistic and appears to be timed to take advantage of the updated Life of Mine plan and improved production and Coal Reserves estimates for the shovel-ready Makhado steelmaking and hard coking coal Project.
- Management have plans to implement on the operations and strategic objectives of the Target to enhance the value of the Makhado Project asset in the mid to long term and as a consequence, the Independent Board Committee do not consider that the Offer Price provides a fair and adequate price for the Target Shares.
- The reasons given by the Bidder are not compelling and based on inaccurate statements, including that:
 - Mining companies are exposed to commodity cycles and record coal prices were last experienced 18 months ago during October 2022. The development of the

¹ Based on the analysis of completed Australian transactions from 2014 to the date of this Target Statement. The median takeover premium observed was 34.62%, measured one day prior to the announcement date, and 38.15%, measured one month prior to the announcement date. The analysis excludes negative premiums and acquisitions of minority stakes. Data sourced from S&P Capital IQ.

Target's flagship Makhado Project requires significant capital expenditure and the Target will diversify the Target's portfolio and will generate significant positive cash flows once in production and so comment in the Bidder's Statement at Section 2.5 on "despite record coal prices" does not apply;

- the references to the threat of dilution at Section 2.3 of the Bidder's Statement would only apply in a situation whereby Target Shareholders failed to follow their rights in a rights issue offering available to all Target Shareholders; and
- the Bidder is not in a position to unilaterally delist the Target upon acquiring ownership or control of at least 75% of the Target Shares.
- The Offer Price does not take cognisance of the significant value attributable to the Target's assets:
 - the shovel ready Makhado steelmaking hard coking coal Project has a 28-year life of mine (**LOM**) and a post-tax internal rate of return of 38% and a net present value of ZAR6.8bn (A\$544.0m)²;
 - the cash generative Uitkomst Colliery has a 15-year LOM and the recently completed Operation Phenduka optimisation initiative increased monthly ROM coal production from an average of 42,000t to approximately 47,000t as well as significantly improving the colliery's cost profile;
 - the recently recommissioned Vele Aluwani Colliery has semi-soft coking and thermal Coal Reserves of over 324 million tonnes (*in situ*); and
 - the three mining right areas comprising the Greater Soutpansberg Project are a significant coal resource with over 7.0bn Gross tonnes (*in situ*) of steelmaking hard coking coal (**HCC**), semi-soft-coking coal (**SSCC**) and thermal coal.
- In August 2023, the Target was at an advanced stage of securing the cornerstone funding for the development of the Makhado steelmaking hard coking coal Project, which, if approved by the Target's Directors, would have been the catalyst for composite equity and debt funding required for the construction of Makhado. This funding was unable to be concluded due to the verbal statement of intent made by certain Consortium Members of a planned takeover offer.
- To act upon the Bidder's intentions to delist the Target, the Bidder and the Consortium Members would need to acquire an aggregate Relevant Interest in practical terms of 82.19% of the issued capital of the Target (not merely 75%), given that one of the Offer conditions is that the Bidder Parties receive acceptances for at least 50.1% or more of the Target Shares that they do not have a Relevant Interest in at the commencement date of the Offer. If this Minimum Acceptance Condition is not satisfied before the end of the Offer Period, then the Offer lapses and the Bidder Parties cease to have a combined relevant interest of 64.3%. In this situation, if the Offer lapses or is withdrawn, each Consortium Member will retain their Shareholdings in the Target and their individual respective Voting Power in the Target.

A detailed explanation of the reasons to **NOT ACCEPT** the Offer are provided in Section 3 of this Target's Statement.

² As announced by the Target in the Makhado Project Implementation Plan announcement made on 30 June 2023.

Section 4 of this Target's Statement sets out reasons why you may wish to accept the Offer.

Next steps

We encourage you to read this Target's Statement and the Bidder's Statement carefully in full and, if required, to seek independent advice if you are in any doubt as to how to respond to the Offer.

If you have not received a Bidder's Statement (including First Supplementary Bidder's Statement) or Acceptance Form, you should call the Bidder's Offer information line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) between 8.30am and 5.00pm (Sydney time) on Business Days.

The Offer is scheduled to close at 7.00pm (Sydney time) on Friday, 5 April 2024, unless extended or withdrawn. **If you wish to reject the Offer, you should take no action.** If you wish to accept the Offer, you will need to follow the instructions set out in Section 13.3 of the Bidder's Statement (as supplemented by the First Supplementary Bidder's Statement).

Further information

As noted above, a Supplementary Target's Statement with Independent Expert's Report will be sent to Target Shareholders around 18 March 2024. The Independent Directors will keep you informed via the relevant ASX, JSE and AIM market announcements platform if there are any material developments in relation to the Offer and through the Investor Centre section of the Target website at <https://www.mcmining.co.za/investors-and-media/announcements/2024>.

If you have any queries in relation to the Offer, please call the Target Shareholder Line on +61 461 444 038 between 9.00am and 7.00pm (Sydney time) on Business Days (if calling from within Australia) or between 11am - 1pm (Johannesburg time) or 9am - 11am (London time).

Thank you for your continued support as a Target Shareholder.

Yours sincerely



Mr Khomotso Mosehla
Chair of the Independent Board Committee and Non-Executive
Director MC Mining Limited

1. Frequently Asked Questions

This Section 1 answers some commonly asked questions about the Offer. It is not intended to address all relevant issues for Target Shareholders. This Section should be read together with all other parts of this Target's Statement.

Question	Answer
What is the Offer?	<p>The Bidder is offering to buy any or all of your Target Shares by way of an off-market takeover bid.</p> <p>The Offer Consideration is A\$0.16 for each Target Share held.</p> <p>The Offer is being conducted in accordance with the takeover procedures in Chapter 6 of the Australian Corporations Act.</p>
Who is the Bidder?	<p>The Bidder is Goldway Capital Investment Limited, a special purpose company established to make the bid and wholly owned by the following Target Shareholders:</p> <ol style="list-style-type: none"> 1. Senosi Group Investment Holdings Proprietary Limited; 2. Dendocept Proprietary Limited; 3. Jun Liu and Huan Qu as joint trustees for the Golden Eagle Trust; 4. Pacific Goal Investment Limited; 5. Yi He; 6. Jun Liu; 7. Golden Archer Investment (Pty) Ltd; 8. Shining Capital GP Limited; 9. Ying He Yuan Investment (S) Pte Ltd; 10. Longelephant International Trade Limited; and 11. Eagle Canyon International Group Holding (Hong Kong) Limited, <p>(Consortium Members).</p> <p>The Bidder is an unlisted incorporated Hong Kong entity.</p> <p>The majority of the Consortium Members are substantial shareholders (each holding over 5%) of the Target.</p> <p>For information in relation to the Bidder (including in relation to its business and capital structure), please refer to Section 3 of the Bidder's Statement. References in this Target's Statement to the Bidder Parties is a reference to the Bidder and the Consortium Members, collectively.</p>
What is the Bidder's Statement?	<p>The Bidder's Statement is the document setting out the terms of the Offer by the Bidder that the Corporations Act requires the Bidder to prepare and send to you. The Bidder's Statement and First Supplementary Bidder's Statement have been sent to</p>

	Target Shareholders as at the Register Date by the Bidder.
What is the Target's Statement?	This Target's Statement has been prepared by the Target and provides the Target's response to the Bidder's Offer, including the recommendation of your Independent Directors, being the members of the Independent Board Committee.
Who is the Offer being made to?	The Offer will be made to each person registered as the holder of Target Shares as at 7pm (Sydney time) on the Register Date, being Monday, 5 February 2024.
What choices do I have as a Target Shareholder?	<p>As a Target Shareholder, you can:</p> <ul style="list-style-type: none"> • reject the Offer by doing nothing (as recommended by the Independent Board Committee); • wait to receive the First Supplementary Target's Statement with Independent Expert's Report to be sent around 18 March 2024 and decide then whether to reject the Offer or accept the Offer depending on the conclusion of the Independent Expert and whether there has been any change in the recommendation of the Independent Board Committee; • accept the Offer for all of your Target Shares or for any number of your Target Shares; or • if there is a market, sell all or some of your Target Shares to a third party (unless you have previously accepted the Offer for your Target Shares). <p>When deciding what to do in relation to the Offer, you should carefully consider the important considerations set out in this Target's Statement and your individual circumstances.</p>
Which Directors are on the Independent Board Committee?	<p>The Independent Board Committee comprises Khomotso Brian Mosehla, Nhlanhla Nene, Andrew Mifflin and Julian Hoskin (Independent Directors).</p> <p>Mr Godfrey Gomwe, the CEO and Managing Director of the Target, is not a member of the Independent Board Committee, but is an observer only on the IBC.</p>
Why was the Independent Board Committee established?	<p>The Independent Board Committee is a committee of the Target Board, which was established pursuant to internal conflict management protocols which were put in place by the Target in relation to the Offer.</p> <p>The Bidder and the Consortium Members have entered into a 'Joint Bid Deed' in connection with the Offer. As a result, the Bidder and Bidder Parties have an aggregate Relevant Interest in 64.30% of the Target Shares on issue.</p> <p>The Directors, Mr Ontiretse Mathews Senosi, Ms Yi He (Christine), Mr Zhen Brian He and Mr An Chee Sin are associated with the Bidder and Consortium Members and so are not</p>

	<p>considered independent for the purposes of assessing and making a recommendation in relation to the Offer.</p> <p>The role of the Independent Board Committee is to consider, respond to and provide a recommendation to Target Shareholders not associated with the Consortium in relation to the Offer.</p>
Which Directors are considered the Non-Independent Directors?	<p>Each of Mr Ontiretse Mathews Senosi, Ms Yi He (Christine), Mr Zhen Brian He and Mr An Chee Sin are directors of the Target and are Associated with the Bidder Parties.</p> <p>Mr Ontiretse Mathews Senosi is a director of Senosi, one of the Consortium Members. Ms Yi He (Christine) is a director of Dendocept, another Consortium Member. Mr Zhen Brian He is a director of Golden Archer Investment (Pty) Ltd.</p> <p>Mr An Chee Sin is the shareholder representative director for Summer Trees Pte Ltd which owns 3.2% of the Target's Shares. Summer Trees Pte Ltd is not a shareholder of the Bidder but is Associated with the Joint Bidders and is therefore considered a Non-Independent Director.</p> <p>As such, these Directors are not members of the IBC and are each considered a "Non-Independent Director". Accordingly, the Non-Independent Directors are not providing a recommendation to Target Shareholders in connection with the Offer.</p>
Does the Bidder already have an interest in Target Shares?	<p>Yes, by reason of the Joint Bid Deed, the Bidder (through the Consortium Members) has an aggregate Relevant Interest in 262,290,952 Target Shares, equating to 64.3% of the total issued share capital of the Target. The Bidder and the Consortium Members are collectively referred to as the Bidder Parties.</p> <p>Refer to Section 8.5 of this Target's Statement and Section 7.2 of the Bidder's Statement for details regarding the Joint Bid Deed between the Bidder Parties.</p>
Why is a Supplementary Target's Statement being sent?	<p>The Target will lodge and send a Supplementary Target's Statement around 18 March 2024 which will contain the Independent Expert's Report and the conclusion of the Independent Expert.</p> <p>BDO has been engaged by the IBC to prepare an Independent Expert's Report and to provide an opinion as to the merits of the Offer. SRK has been appointed as the Technical Mining Expert for the Independent Expert.</p> <p>As at the date of this Target's Statement, the Independent Expert's Report has not yet been completed by the Independent Expert nor provided to the Independent Board Committee.</p>
What does the Independent Board Committee	<p>The Independent Board Committee unanimously recommends that you DO NOT ACCEPT the Offer.</p>

recommend?	<p>The reasons for this recommendation are set out in Section 3. The possible reasons for not following your Independent Directors' recommendation are set out in Section 4.</p> <p>The Supplementary Target's Statement will either confirm or change the recommendations of the IBC pending the receipt of the Independent Expert's Report and the opinion of the Independent Expert.</p>
How do I accept the Offer?	<p>Instructions on how to accept the Offer are set out in Section 13.3 of the Bidder's Statement and on the Acceptance Form which accompanies the Bidder's Statement. If you want to accept the Offer, you should follow these instructions carefully to ensure that your acceptance is valid.</p>
How do I reject the Offer?	<p>If you decide to reject the Offer, no action is required.</p>
What does the Managing Director and Chief Executive Officer and intend to do with his Target Shares?	<p>Mr Godfrey Gomwe, Managing Director and Chief Executive Officer of the Target, is an IBC Observer. As an IBC Observer he is not providing a recommendation to Target Shareholders in this Target's Statement.</p> <p>Mr Gomwe holds 4,000,000 Target Shares. As at the date of this Target's Statement, Mr Gomwe intends to reject the Offer in relation to the Target Shares that he holds.</p> <p>Mr Gomwe also holds 8,000,000 unvested zero cost Options. The Options are engagement shares that were approved by shareholders at the November 2022 Annual General Meeting and amongst others, the terms of Mr Gomwe's employment agreement will result in the immediate vesting of outstanding Options should a "Change of Control Event" occur. Refer to Section 7.10 of this Target's Statement for further details.</p>
If I accept the Offer, can I later withdraw my acceptance?	<p>Under the terms of the Offer, you cannot withdraw your acceptance unless a withdrawal right arises under the Corporations Act.</p> <p>Such a withdrawal right will arise if, after you have accepted the Offer, the Bidder varies the Offer in a way that postpones for more than one month, the time by which the Bidder must satisfy its obligations under the Offer (for example, if the Bidder extends the Offer Period by more than one month while the Offer remains Conditional). The Offer will remain subject to the defeating Minimum Acceptance Condition unless and until the Bidder Parties acquire Relevant Interests in 82.19% of the Shares during the Offer Period.</p>

<p>What happens if I don't accept the Offer?</p>	<p>If you do not accept the Offer your Target Shares will remain unchanged. However, if the Bidder Parties acquire a Relevant Interest in at least 90% of all Target Shares (which would mean that the Minimum Acceptance Condition is satisfied) and the other Conditions of the Offer are satisfied (or waived), the Bidder has stated that it may proceed to compulsorily acquire your Target Shares. If this occurs, you will receive your Offer Consideration at the conclusion of the compulsory acquisition process. If the Offer is successful and where the Bidder Parties have acquired Relevant Interests in 82.19% or more of the Shares, you would receive your Offer Consideration sooner if you had accepted the Offer.</p>
<p>Can the Bidder vary the Offer?</p>	<p>The Bidder may vary the Offer in any of the ways permitted by the Corporations Act, including by extending the Offer Period or by increasing the Offer Price, provided the varied terms and conditions are not less favourable to Target Shareholders than the Offer. If the Bidder varies the Offer in any of those ways, it must give written notice to ASIC and the Target and send you a copy of that notice (provided, however, that the Bidder will not be required to send you a copy of the notice if, at the time of the variation, you have already accepted the Offer, the Offer is unconditional and the variation merely extends the Offer Period).</p>
<p>What happens if the Offer Consideration is increased?</p>	<p>If the Bidder increases the Offer Price, Target Shareholders who have accepted into the Offer are entitled to the increased Offer Price.</p> <p>If the Bidder increases the Offer Price, the Independent Board Committee will consider the revised Offer and advise Shareholders accordingly and issue a further supplementary target's statement.</p> <p>If a rival takeover bid is made to buy all Target Shares in the bid class by a person who is not an associate of either the Bidder or Consortium Members, the following ASIC Joint Bid Relief Exemption conditions are satisfied in respect of the rival bid:</p> <ul style="list-style-type: none"> the consideration offered under the rival bid is more than 105% of the value of consideration offered under the Offer (as assessed by ASIC and notified to the Bidder Parties if the consideration offered under the rival bid is non-cash consideration or a combination of cash and scrip i.e. non-cash consideration); the rival bid is or has become unconditional except for prescribed occurrence conditions (being events or circumstances referred to in subsection 652(c)(1) or (2) of the Corporations Act; and the offer period for the rival bid commences before the end of the Offer Period, <p>(a Rival Bid), then within 7 days of the above conditions to the Rival Bid being satisfied, the Bidder Parties have to ensure that the value of the consideration offered under the Offer is equal to,</p>

	<p>or higher than, the consideration offered under the Rival Bid (Matching or Higher Offer).</p> <p>If the Joint Bidders do not make a Matching or Higher Offer within the required 7-day period, the Consortium Members are required to accept the Rival Bid in respect of all of the Target Shares in which the Bidder Parties have a Relevant Interest by that time.</p> <p>See Section 6.3 of this Target's Statement for more information and Section 12.1(c)-(d) of the Bidder's Statement.</p> <p>In the circumstances where there is no Rival Bid and no requirement for the Bidder to make a Matching or Higher Offer, but the Offer Consideration is subsequently increased by the Bidder after you have accepted the Offer, you will be entitled to the improved Offer Consideration.</p> <p>As at the date of this Target's Statement, the Independent Board Committee makes no representation that the Offer Consideration will be increased by the Bidder.</p>
What happens if there is an alternative competing bidder?	<p>If you accept the Offer you will be unable to accept any superior third party offer (if one emerges) unless you become entitled to withdraw your acceptance or the Offer lapses (because the Minimum Acceptance Condition is not satisfied by the end of the Offer Period).</p> <p>If there is an alternative bidder or competing superior proposal the Independent Board Committee will update Target Shareholders accordingly.</p> <p>If a Rival Bid emerges during the Offer Period and the Bidder does not make a Matching or Higher Offer to increase its Offer Price to the same or higher than the value offered under a Rival Bid, then the Bidder Parties must accept into the Rival Bid (provided any Rival Bid has become unconditional, except for prescribed occurrence conditions) in respect of all Shares in which they have a Relevant Interest in by that time.</p> <p>If you do not accept the Offer, you may accept an alternative takeover offer, should one emerge.</p>
Can I sell my Target Shares prior to the closing date of the Offer?	<p>Yes. If there is a market, you can sell your Target Shares at any time before the end of the Offer Period. Any person who, during the Offer Period, is able to give good title (i.e. in accordance with section 653B of the Corporations Act) to a parcel of Target Shares, may accept the Offer as if an offer on terms identical to the Offer had been made to that person in relation to those Target Shares.</p>
When do I have to decide by?	<p>If you wish to accept the Offer, you need to do so before its scheduled closing date at 7pm (Sydney time) on Friday, 5 April 2024.</p> <p>It is possible that the Bidder may decide to extend the Offer Period in accordance with the relevant procedure in the</p>

	<p>Corporations Act.</p> <p>However, the Bidder cannot close the Offer earlier than the closing date noted above except in accordance with the Corporations Act.</p>
<p>If I accept the Offer, when will I receive my Offer Consideration?</p>	<p>If you accept the Offer, you will be paid the Offer Consideration on the earlier of:</p> <ul style="list-style-type: none"> • one month after the date you accept the Offer, or if the Offer is subject to a defeating condition when you accept the Offer, within one month after the date all the Conditions to the Offer have been satisfied (or waived) and the Offer becomes unconditional; and • 21 days after the end of the Offer Period, provided that the Offer has become unconditional (and where the Minimum Acceptance Condition has been satisfied). <p>However, there are certain exceptions to the above timetable for payment if you hold Target Shares on the Target United Kingdom Register or Target South African Register. Refer to Sections 13.4 and 13.6 of the Bidder's Statement.</p>
<p>Can I accept the Offer for part of my shareholding in the Target?</p>	<p>Yes, the Bidder is offering to acquire any or all of your Target Shares. If you accept the Offer for some of your Target Shares by specifying that number on the Acceptance Form, you may still accept the Offer for the balance of your Target Shares at any time during the Offer Period.</p>
<p>What are the conditions to the Offer?</p>	<p>The Offer is Conditional on the events summarised in Section 6.3 of this Target's Statement (and as set out in Section 13.9 of the Bidder's Statement).</p> <p>In particular, the Bidder Parties must receive acceptances for at least 50.1% or more of the Target Shares that they do not have a Relevant Interest at the commencement date of the Offer, being the Minimum Acceptance Condition. This is a condition that cannot be waived by the Bidder Parties or any other party.</p> <p>In order for the Minimum Acceptance Condition to be fulfilled and for the Offer to be successful, the Bidder Parties (who collectively own and control 64.3% of the Target Shares as at the commencement date of the Offer) must receive acceptances before the end of the Offer Period which brings their aggregate ownership to a minimum of 82.19% of the current issued share capital of the Target.</p>
<p>Are there any risks in accepting the Offer while it is still conditional?</p>	<p>If you accept the Bidder's Offer now while its Offer is subject to Conditions (other than the Minimum Acceptance Condition), there are significant consequences for you including the following:</p> <ul style="list-style-type: none"> • you will give up your right to sell your Target Shares on the ASX or to otherwise deal with them while the Offer remains

	<p>open (for example, by accepting any superior offer from another bidder if such an offer is made); and</p> <ul style="list-style-type: none"> • you will relinquish control of your Target Shares and the Rights attaching to them to the Bidder with no guarantee of payment until the Bidder's Offer becomes unconditional, <p>subject in each case to your right to withdraw your acceptance of the Bidder's Offer in the limited circumstance outlined above in response to the question 'If I accept the Offer now, can I withdraw my acceptance later?'.</p> <p>Note that if you accept the Bidder's Offer now while it is still subject to satisfaction of the Minimum Acceptance Condition and the Minimum Acceptance Condition is not satisfied by the end of the Offer Period, the Offer will lapse and any acceptances received by the Bidder from Target Shareholders will be void and of no effect.</p>
How will I know when the Offer is unconditional?	<p>The Bidder is required to advise the Target, ASIC and the ASX as soon as any Conditions to the Offer have been satisfied (or waived).</p> <p>The Bidder is required to inform the Target and ASIC as soon as any Conditions are satisfied or fulfilled, including if the Minimum Acceptance Condition has been satisfied by the end of the Offer Period.</p> <p>The Bidder has set 22 March 2024 as the date on which it will give the Target and ASIC a notice required by law on the status of the defeating Conditions. This date may be extended if the Offer Period is extended and the date for giving the notice is taken to have postponed for the same period.</p> <p>All notices from the Bidder will be notified to Target Shareholders in accordance with the requirements of the Corporations Act and will be available on the ASX.</p>
What are the consequences of the Offer becoming unconditional?	<p>If you accept the Offer and the Offer becomes unconditional, you will be entitled to receive the Offer Consideration in respect of your Target Shares.</p> <p>If you haven't accepted the Offer and the Offer becomes unconditional, you have the choice of deciding whether to accept the Offer or remain a Shareholder, in which case you will be subject to the risks set out in section 9.3 of this Target's Statement.</p>
What happens if the Conditions to the Offer are not satisfied (or waived)?	<p>If the Minimum Acceptance Condition (which cannot be waived) is not satisfied by the end of the Offer Period, then the Offer will lapse and any acceptances will be cancelled.</p>

	<p>If the other Offer Conditions are not satisfied (or waived by the Bidder) by the end of the Offer Period, then the Offer will lapse and your acceptance will be cancelled. You will continue to hold your Target Shares and be free to deal with your Target Shares as if the Offer had not been made, unless you have already sold your Target Shares to someone else.</p>
Can the Bidder withdraw the Offer?	<p>The Bidder can only withdraw its Offer with the consent in writing of ASIC (which consent may be subject to conditions).</p>
Are there any risks in continuing to hold Target Shares in the Target?	<p>Yes. The Target and an investment in Target Shares are subject to a number of risks. These risks include, but are not limited to:</p> <ul style="list-style-type: none"> • if the Offer completes and the Bidder achieves a combined Relevant Interest of 82.19%, Target Shareholders are subject to the risk of being a minority shareholder in the Target; • if the Offer completes and the Bidder and the Consortium Members become entitled to exercise, and do exercise, compulsory acquisition rights, a Target Shareholder may be compelled to sell their Target Shares to the Bidder for the same price as under the Offer, but receive the consideration at a later time; • operational and funding uncertainty due to the requirement that the Target will need to conduct a capital raising or procure alternative financing in the short-term to fund the continued operations of the Target, in particular the Makhado Project; and • risk of future dilution if you retain Target Shares and do not participate in any future capital raising and where the Offer lapses. <p>If the Target is delisted from the Official List of the ASX and the JSE and the admission to trading on AIM of the Target Shares is cancelled, the Target's Shareholders would no longer be afforded the protections currently provided by virtue of the respective stock exchanges' rules, including with regard to the corporate governance standards of the Target and related party transactions.</p> <p>Refer to the risks outlined in Sections 9.2 (Risks specific to minority ownership) and Section 9.3 (Risks associated with rejecting the Offer and continuing as a Target Shareholder) of this Target's Statement.</p> <p>Refer to Section 6.12 of this Target's Statement regarding the effect if the Bidder is entitled to and lodges a compulsory acquisition notice after the Offer.</p> <p>Refer to Section 6.13 of this Target's Statement for details regarding the Bidder's intentions regarding delisting the Target and disadvantages to Target Shareholders on delisting.</p>
What are the tax	<p>This depends on your personal tax position and the price and</p>

implications of accepting the Offer?	<p>time at which you originally acquired your Target Shares. A general outline of the:</p> <ul style="list-style-type: none"> (a) Australian tax implications of accepting the Offer is set out in section 9 of the Bidder's Statement and Sections 11.2 and 11.3 of this Target's Statement; (b) South African tax implications of accepting the Offer is set out in section 10 of the Bidder's Statement and Section 11.4 of this Target's Statement; and (c) United Kingdom tax implications of accepting the Offer is set out in section 11 of the Bidder's Statement and Section 11.5 of this Target's Statement. <p>You should consult with your taxation adviser for detailed advice before making a decision whether or not to accept the Offer.</p>
Is there a phone number I can ring if I have any queries?	<p>If you have any queries in relation to the Offer, you can call the Target Shareholder Line on +61 461 444 038 between 9.00am and 7.00pm (Sydney time) on Business Days (if calling from within Australia) or between 11am - 1pm (Johannesburg time) or 9am - 11am (London time).</p>

2. Summary of the Offer

On Friday, 2 February 2024 the Bidder lodged its Bidder's Statement with ASIC in relation to its off-market takeover bid for all of the shares in the Target. A First Supplementary Bidder's Statement was lodged by the Bidder on 15 February 2024.

The key terms of the Offer are summarised in the table below:

The Offer	The Bidder is offering to acquire any or all of your Target Shares (which the Bidder and the Consortium Members do not currently own or have a Relevant Interest in), subject to the terms and conditions set out in the Bidder's Statement. The Offer is made 16 February 2024.
Offer Consideration	The Bidder is offering A\$0.16 for each Target Share held (Offer Price). The Offer Consideration is payable in cash.
Conditions of the Offer	<p>The Offer is subject to a number of defeating Conditions. The Conditions include:</p> <ul style="list-style-type: none"> the Bidder Parties receiving acceptances for at least 50.1% or more of MCM Shares that they do not have a Relevant Interest in at the commencement date of the Offer. This Minimum Acceptance Condition cannot be waived by the Bidder Parties unless relief is granted by ASIC; the Target does not conduct any form of capital raising (including the issue of any new securities) between the Register Date and the end of the Offer Period, unless with written consent of the Bidder Parties; the Target does not incur any significant liabilities or change the terms of its debt financing arrangement in any material respect between the Announcement Date and the end of the Offer Period, unless with the prior written consent of the Bidder Parties; no Performance Rights, Options or other convertible securities currently on issue vest and are converted into Target Shares between the date of the Bidder's Statement and the end of the Offer Period; no material acquisition, disposal or commitment is undertaken by MCM between the Announcement Date and the end of the Offer Period; no material adverse change occurs in relation to the Target before the end of the Offer Period; no regulatory action by a Public Authority which prohibits or restricts the Offer or imposes any new terms on or amends the existing terms of the rights, licences or tenements held by the Target between the Announcement Date and the end of the Offer Period;

	<ul style="list-style-type: none"> • no distribution or dividend is declared or paid by the Target between the Announcement Date and the end of the Offer Period; • there are no change of control provisions relating to the Target's material assets; and • no prescribed occurrence occurs between the Announcement Date and the end of the Offer Period. <p>Refer to Section 6.3 of this Target's Statement.</p> <p>The Conditions are set out in full in Section 13.9 of the Bidder's Statement.</p>
Offer exclusions	<p>The Offer does not extend to:</p> <ul style="list-style-type: none"> • Target Shares that are issued between the date of the Bidder's Statement and the end of the Offer Period as a result of the exercise of Options, the vesting or conversion of Performance Rights or the conversion of any other convertible securities; nor • Target Shares issued during the Offer Period from the Register Date to the end of the Offer Period.
Offer Period	<p>The Offer will remain open for acceptance during the period commencing on 16 February 2024 and ending at 7pm (Sydney time) (10am South Africa time) on Friday, 5 April 2024 (unless the Offer is extended by the Bidder or withdrawn in accordance with the Corporations Act).</p>
Effect of acceptance	<p>The effect of acceptance is set out in Section 13.5 of the Bidder's Statement. You should read these provisions in full to understand the effect that acceptance will have in respect of your Rights attaching to your Target Shares.</p>
Compulsory acquisition	<p>The Bidder has indicated in its Bidder's Statement that if it becomes entitled to proceed to compulsory acquisition of all Target Shares following the Offer, then it may proceed with compulsory acquisition of the outstanding Target Shares in accordance with the provisions of Part 6A.1 of the Corporations Act. Under Part 6A.1 of the Corporations Act, the Bidder will be entitled to compulsorily acquire any outstanding Target Shares if, during or at the end of the Offer Period, the Bidder has a Relevant Interest in at least 90% of all Target Shares. If your Target Shares are compulsorily acquired then you will be paid later than Target Shareholders who accept the Offer.</p> <p>In addition, if the Bidder becomes entitled at some later time to exercise the general compulsory acquisition rights under Part 6A.2 of the Corporations Act, it has indicated in its Bidder's Statement that it may exercise those rights.</p>

Intentions of the Bidder regarding delisting	<p>The Bidder has indicated in its Bidder's Statement that if at the end of the Offer Period the Bidder has a Relevant Interest in at least 90% of all Target Shares, then the Bidder Parties intend to apply for termination of the official quotation of the Target Shares on the ASX and arrange for the Target to be removed from the Official List of the ASX as well as from its secondary quotations on AIM and JSE.</p> <p>The Bidder has also indicated in its Bidder's Statement that if at the end of the Offer Period the Bidder does not have a Relevant Interest in at least 90% of all Target Shares, but that the Offer is successful and at the end of the Offer, the Bidder owns or controls at least 75% of the Shares in the Target, and certain other conditions generally required by the ASX are satisfied, then the Bidder intends to seek to replace some of the members of the Target Board and may propose that the Target Board apply to terminate the official quotation of the Target Shares on the ASX and arrange for the Target to be removed from the official list of ASX, JSE and from trading on AIM.</p> <p>In the circumstances where the Bidder does not have a Relevant Interest in at least 90% of all Target Shares at the end of the Offer, in order for the Offer to be successful and for the Bidder to seek to delist the Target, the Minimum Acceptance Condition would need to have been satisfied – meaning that the Bidder Parties would need to have acquired a Relevant Interest in at least 82.19% of all Target Shares currently on issue.</p>
Notice on status of Conditions	<p>The date for giving the notice on the status of the Conditions referred to in the Bidder's Statement is Friday, 22 March 2024 (subject to extension in accordance with section 630(2) of the Corporations Act if the Offer Period is extended).</p>
Withdrawal of Offer	<p>The Bidder can only withdraw the Offer with the consent in writing of ASIC, which consent may be subject to conditions. However, if the Offer closes and some or all of the Conditions are not satisfied (and those unsatisfied Conditions have not been waived by the Bidder), then the Offer will fail and no acceptances will be processed. The Minimum Acceptance Condition is unable to be waived by the Bidder or any other person.</p>

3. Reasons why you should NOT ACCEPT the Offer

3.1. Independent Board Committee recommendation to NOT ACCEPT the Offer

The Independent Board Committee, comprising the Independent Directors, Mr Mosehla, Mr Nene, Mr Mifflin and Mr Hoskin, has carefully considered the Offer in all the current circumstances.

The Independent Board Committee unanimously recommends that you **DO NOT ACCEPT** the Offer. The key reasons for the Independent Directors' recommendation are set out in Sections 3.3 to 3.7 of this Target's Statement. None of the Independent Directors hold Target Shares or a Relevant Interest in the Target.

3.2. The Independent Expert's Report will accompany the Supplementary Target's Statement

The Independent Expert's Report and opinion of the Independent Expert will be included in the Supplementary Target's Statement to be lodged by the Target on or around 18 March 2024 and sent to the Bidder and Target Shareholders.

The Independent Board Committee will either confirm its recommendation or change its recommendation in the Supplementary Target's Statement, depending on the conclusion and opinion of the Independent Expert.

3.3. The Offer Price does not represent an attractive premium for control

The Offer Price of A\$0.16 for each Target Share does not represent an attractive premium based on the Target's historical trading prices prior to the date of the announcement of the Offer.

The Offer Price represents a mere premium of:

- **14.3% premium** to A\$0.14, being the closing price of Target Shares on 1 February 2024, being the day prior to the Announcement Date;
- **23.1% premium** to A\$0.13, being the closing price of Target Shares immediately before the intention to make a takeover bid by the Consortium was announced on the ASX on 3 November 2023; and
- **17.1% premium** to A\$0.1366, being the 20-day VWAP of Target Shares up until 1 February 2024, being the day prior to the Announcement Date.

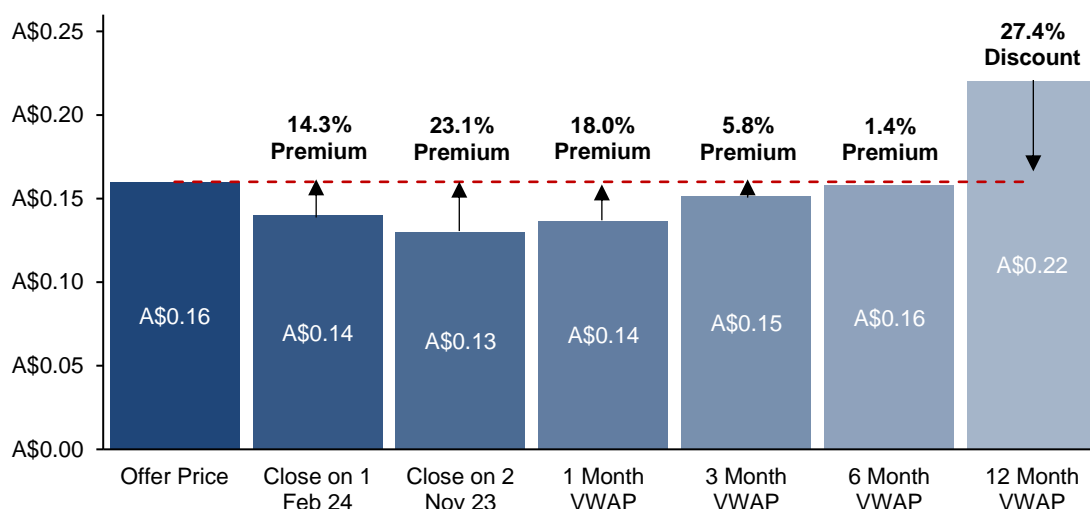
Additionally, the Offer Price represents only a very modest premium to the levels that the Target Shares traded in the three- and six-month periods, and a discount to the twelve month period up to and including the last trading day prior to the announcement of the Consortium's intention to make a takeover bid on 3 November 2023. Analysis based on longer term trading prices for the Target Shares on the ASX is as follows:

- **5.8% premium** to A\$0.15119, being the 3-month VWAP of Target Shares immediately before the intention to make a takeover bid by the Consortium was announced on the ASX on 3 November 2023;
- **1.4% premium** to A\$0.15785, being the 6-month VWAP of Target Shares immediately before the intention to make a takeover bid by the Consortium was announced on the ASX on 3 November 2023; and

- **27.4% discount** to A\$0.22027, being the 12-month VWAP of Target Shares immediately before the intention to make a takeover bid by the Consortium was announced on the ASX on 3 November 2023.

The Target Shares traded at a high of \$0.215 on 3 November 2023, following the announcement of the receipt of the intention from the Consortium to make a non-binding indicative takeover offer and the disclosure of the initial indicative price range of \$0.20 to \$0.23 per Share which Dendocept and Senosi had proposed on 5 September 2023 under the Initial NBIO Proposal. The Target Shares also traded above the Offer Price prior to the announcement of the takeover bid intention as recently as 22 September 2023.

Offer Price Compared to ASX Trading prior to intention to make takeover on 3 November 2023



Source: S&P Capital IQ

Notes:

(1) 1 Month VWAP based on the cumulative volume traded on the ASX from 3 October 2023 (being 1 month prior to the announcement of the Offer) to 2 November 2023 (being the last trading day before the intention to make a takeover offer was made)

(2) 3 Month VWAP based on the cumulative volume traded on the ASX from 3 August 2023 (being 3 months prior to the announcement of the Offer) to 2 November 2023 (being the last trading day before the intention to make a takeover offer was made)

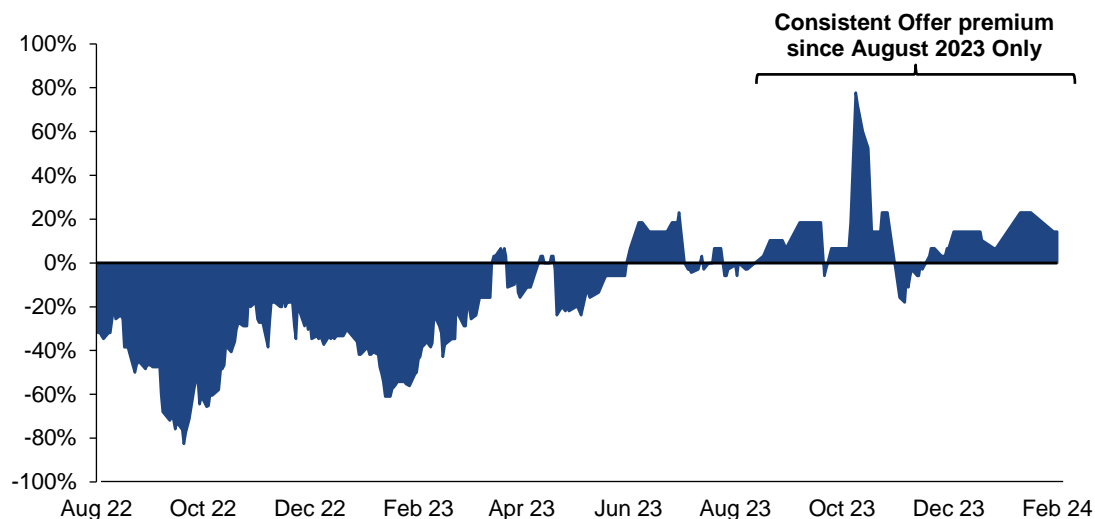
(3) 6 Month VWAP based on the cumulative volume traded on the ASX from 3 May 2023 (being 6 months prior to the announcement of the Offer) to 2 November 2023 (being the last trading day before the intention to make a takeover offer was made)

(4) 12 Month VWAP based on the cumulative volume traded on the ASX from 3 November 2022 (being 12 months prior to the announcement of the Offer) to 2 November 2023 (being the last trading day before the intention to make a takeover offer was made)

(5) The VWAPs presented in this chart are rounded figures.

For the majority of the last 18 months prior to the Announcement Date, between 1 August 2022 and 1 February 2024, the Offer Price represented an implied discount to the Target's Share price. The Offer Price has only consistently represented a premium to the Target's Share price on the ASX since August 2023.

Implied Offer Premium / Discount to Share Price – 18 Months prior to the Announcement Date



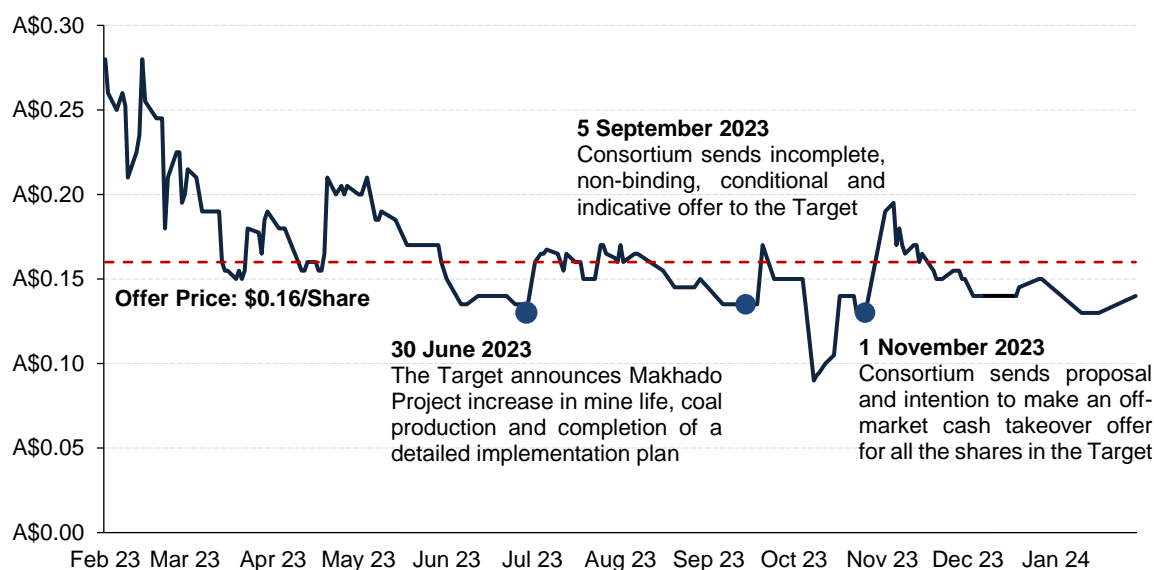
Source: S&P Capital IQ

3.4. The Offer Price is opportunistically timed to deprive Target Shareholders of future potential value

In summary, the Independent Board Committee believes that the Offer Price is opportunistic and takes advantage of:

- the completion of the updated Life of Mine plan for Makhado;
- the five month time delay between the Initial NBIO Proposal, which was an earlier but incomplete takeover proposal made by Dendocept and Senosi for an initial indicative price range of \$0.20 to \$0.23 per Share;
- a decline in the Target Share trading prices over the last 12 months leading up to the date of the Offer. The Offer has been made at a time when the Target Shares are trading at the low end of the range which they have traded over the last 12 months leading up to the date of the Offer;
- the uncertainty and interruption to the Target's operations and planning for capital raising alternatives that have been caused by the lengthy takeover process; and
- the current net debt position and balance sheet of the Target which has been affected by the takeover process and restrictions and limitations placed on the Target as potential funders indicated that further interactions with the Target would occur once the takeover offer period had expired.

Trading Prior to and After Initial Receipt of Takeover Offer Intention



Source: S&P Capital IQ

a) The Offer takes advantage of the completion of the updated Life of Mine plan for Makhado

The timing of the Offer is opportunistic as it appears to take advantage of the updated Life of Mine (**LOM**) plan, higher production rate, higher Coal Reserves estimates and increased value of the shovel-ready Makhado steelmaking hard coking coal project.

The Independent Board Committee therefore is of the view that the Offer Price undervalues the Makhado hard coking coal project asset as it does not take into consideration the significant progress on the Makhado Project.

The Target has made significant progress on the Makhado Project over the last two years and now has a development plan that can be implemented within a short period of the peak funding being secured. The studies completed since H2 CY2022 have facilitated this progress and the recent improvements to the Makhado steelmaking hard coking coal project include:

- The Makhado coal handling and processing plant (**CHPP**) optimisation study completed by independent consultants resulted in the annual capacity increasing from 3.2 million tonnes per annum (**Mtpa**) to 4.0Mtpa;
- Erudite (Pty) Ltd (**Erudite**) completed the detailed designs for the Makhado CHPP;
- The five-year Makhado Project implementation plan (**Implementation Plan**) improved the accuracy of Makhado feasibility studies from $\pm 30\%$ accuracy to an estimated accuracy of $\pm 10\%$;
- The Implementation Plan incorporates a detailed execution plan for the construction of the East Pit and related infrastructure and a detailed mine plan and an updated life of mine (**LOM**) plan and Coal Reserve estimate for Makhado;

- The LOM plan expands on the Implementation Plan and incorporates the exploitation of all portions of the East, Central and West Pit coal deposits that are mineable by surface mining methods;
- The updated LOM plan extended the Makhado LOM from 22 years to 28 years (27% increase), despite the 25% higher annual ROM coal production rate and improved production metrics, including:
 - » 25% increase in the targeted mining rate from 3.0 to 4.0Mtpa of ROM coal;
 - » 100% increase in CHPP capacity, from 2.0 to 4.0 Mtpa;
 - » 60% increase of total saleable coal products from 26 to 41 million tonnes over the mine life;
 - » Time to first production increasing from 12 to 18 months owing to the construction of the new, larger CHPP whilst keeping the payback period materially unchanged at 3.5 years from the start of construction;
 - » 11% increase in the estimated project peak funding requirements to A\$144 million (ZAR1.8bn); and
 - » Post-tax internal rate of return of 37% and a NPV of ZAR6.8nn (A\$544m) (at a 6% discount rate) and ZAR4.0bn (A\$320m) (at a 10% discount rate).
- Commencement of early works at the Makhado project, including:
 - » detailed design, procurement and commencement of construction of the power supply overhead transmission line – a critical path activity;
 - » refurbishment of onsite accommodation to house project construction crews;
 - » placement of orders for key long-lead time items, including the payment of a deposit of ZAR19.0 million (A\$1.5 million);
 - » mobilisation of contractors for the construction of the main access road, main bridge and civil works for bulk water reticulation; and
 - » progress with erection of fencing to secure the project site;
- The Target has progressed managed tender processes to select the Makhado mining contractor as well as the operating and maintenance contractors for the Makhado CHPP and laboratory; and
- The Target is also assessing various scenarios to facilitate an accelerated start of coal production at the Makhado Project, subject to further funding.

The Independent Board Committee unanimously believes that by accepting the Offer, Shareholders will not be able to benefit from the value created by development of the flagship Makhado project.

b) The Offer takes advantage of the Target's short term financial performance, and resulting share price weakness

The Target produces predominantly high-grade thermal coal at Uitkomst and Vele and recent coal price weakness has had a negative impact on cash flow. International and domestic thermal coal markets have been under recent pricing pressure and the API4³ price has fallen under US\$100/t as of the date of this Target's Statement after reaching a peak above US\$400/t in 1Q CY2022. Premium steelmaking hard coking coal (**HCC**) prices, however, have remained elevated, averaging US\$335/t in Q4 CY2023.

The IBC reiterates that their view of the Target's value is primarily driven by the size and potential of the HCC resource.

Once in operation, Makhado is expected to produce 800,000t⁴ of saleable steelmaking HCC annually based on the most recent LOM Plan.

Historical Coal Prices – Last 24 Months



Source: S&P Global

Additionally, as announced in the MC Mining Quarterly Activities Report on 31 January 2024, the outsource agent at Vele Colliery, Hlaletshembeni Outsource Services Proprietary Limited (**HOS**), notified the Target during December 2023 that due to production challenges, combined with elevated logistics costs and the depressed API4 coal price, it intends downscaling operations at the colliery while it progresses a production optimisation strategy. HOS pays Limpopo Coal Company (Pty) Ltd (**LCC**), the owner of Vele, a fee of ZAR200/t of coal sold if the monthly average API4 price is higher than US\$120/t.

HOS's production optimisation strategy will potentially include, amongst others, changes to the mining methodology, as well as further modifications to the CHPP and securing access to rail transport at competitive prices. The evaluation of these measures is expected to take place in FY2024 H2 with the intention to improve profitability at the colliery.

³ Refers to the thermal coal price based on FOB delivery in the port of Richards Bay in South Africa published by Argus-McCloskey.

⁴ As per the announcement by the Target dated 30 June 2023.

c) *The IBC believes that the Bidder values the Target at substantially more than the current A\$0.16 Offer Price*

On 5 September 2023 the Target received the Initial NBIO Proposal, being a confidential and incomplete takeover offer from Senosi Group and Dendocept. The Initial Proposal set out indicative but incomplete details of a proposed takeover by Senosi and Dendocept to acquire all shares that they did not own, including an indicative cash consideration offer range of \$0.20-\$0.23 per ordinary share.

The price range offered was indicative only and part of an incomplete and conditional bid, subject to regulatory approvals being received by Dendocept and Senosi. Between September 2023 and February 2024, the IBC sought to negotiate the bid price with Dendocept and Senosi on behalf of the Joint Bidders.

Due to the time taken for the Consortium to finalise its joint bid and funding structure, as well as obtain its necessary approvals, a lengthy time has ensued between the Initial Indicative Bid and the Offer Price, which is priced lower than the Initial Indicative Bid range. Further, during this time Mr Senosi and Ms He along with other Non-Independent Directors have participated in board meetings of the Target regarding capital raisings, and even as recent as early February 2024, prior to the lodgement of the Bidder's Statement, approved a capital raising.

The IBC believe that the Bidder is willing to pay substantially more for the Target Shares than the current Offer Price given the potential of the assets and coal resource, as indicated by the Initial Proposal. This highlights the opportunistic nature of the bid by taking advantage of recent share price weakness.

The Offer Price of A\$0.16 represents a discount to the Initial NBIO Proposal of between 20.0%- 30.4% per ordinary share.

3.5. The Offer Price does not fairly value the Target

The Offer appears to attribute little or no value to the Target's exploration assets and development projects

The Target has a number of prospective coal assets in the 74% owned Greater Soutpansberg region (**GSP**). The exploration and development of the three GSP areas is the catalyst for the Target's long-term growth, following the commissioning of the Makhado Project.

The Target acquired the GSP prospecting rights from Rio Tinto Minerals Development Ltd and Kwezi Mining (Pty) Ltd in 2012 for US\$75m. The GSP projects contain over 7.0 billion gross tonnes in situ of JORC-compliant resources (measured, indicated and inferred) on a 100% basis which in the IBC's view, positions the GSP to be a potential long-term coal supplier to both domestic and international steelmaking and thermal coal markets. The Target has commenced the execution of mining rights for the GSP, and mining rights for the Mopane and Generaal project areas were executed during Q2 FY2024. The studies required for the environmental and water use licences are expected to commence during H2 CY2024.

The IBC believe that these projects remain significant strategic assets for the Target and does not believe the value of these assets have been adequately reflected in the low premium of the Offer.

3.6. The reasons given by the Bidder are not compelling

The IBC considers that the Bidder's other stated reasons to accept the Offer are not compelling and makes the following observations.

<i>Reason given by Goldway in the Bidder's Statement</i>	<i>IBC Observations</i>
Potential delisting of the Target at 75% control	The Bidder is not in a position to unilaterally delist the Target upon acquiring ownership or control of at least 75% of the Target Shares. The Bidder can only act on any intention to delist the Target from the ASX once it has satisfied the Minimum Acceptance Condition and acquired Relevant Interests in at least 82.19% of the issued Shares.
Impending dilution of Shareholders	<p>The IBC believes that the Target's market capitalisation does not reflect the significant value of its projects, particularly the Makhado steelmaking HCC project and the three GSP project areas. The Target had previously secured an executable term sheet for alternative funding mechanisms that would not have resulted in shareholder dilution. However, this funding opportunity could not be concluded following notification of the intention to make a takeover offer.</p> <p>The Target, consistent with prior announcements, is considering a variety of funding options in order to reach FID on Makhado. The various initiatives being negotiated include amongst others, funding arrangements through build, own, operate, transfer (BOOT); senior debt; coal prepayments; EPC contracts, and senior debt and composite debt/equity instruments.</p> <p>An equity raise in the form of a rights issue would only be dilutive to those shareholders who do not follow their rights. An equity placement outside of permissible ASX Listing Rule thresholds would require shareholder approval.</p>
Future funding requirements	The Makhado Project's peak funding requirement is approximately ZAR1.8bn (A\$144m) and this is expected to be raised through a combination of debt and equity which can be activated if the Offer fails. Further opportunities for EPC plus finance also exist. The composite debt/equity funding initiatives can only progress meaningfully once the Offer process has completed.
Negative cashflow The Bidder has stated in the Bidder's Statement that " <i>despite record coal prices,</i>	The reduced cash generation is due to a reduction from record thermal coal prices, which reached a peak of US\$342/t in July 2022 but commenced declining during September 2022, to a low of US\$97/t in January 2024. The average price for FY2024 is US\$112/t. The development of the Makhado Project will diversify the Target's product

<p><i>MCM has continued to experience cash burn on quarter throughout 2022 and 2023".</i></p>	<p>range to incorporate steelmaking coal, thus reducing coal price risk.</p>
<p>Listing costs and funding</p> <p>The Bidder has stated in Section 2.4 of the Bidder's Statement that <i>"despite being listed on three exchanges, MCM has been unable to secure funding from parties outside of the Consortium"</i>.</p>	<p>Since the beginning of CY2023, the Target has been in advanced discussions with a number of third parties regarding potential future funding of the Target. However, due to certain of the Consortium Members making statements of intentions for a takeover during August 2023, the Target Board and senior management's funding alternative plans have been delayed and disrupted. At a Target Board meeting at the end of November 2023, the Directors authorised management to re-evaluate fund raising initiatives. Further, days before the Bidder lodged its Bidder's Statement on 2 February 2024, the Target Board, including Consortium Member representatives, unanimously approved a proposed capital raising.</p>
<p>Negative coal sentiment and challenges attracting investment</p> <p>The Bidder has stated in Section 2.5 of the Bidder's Statement that the <i>"global 'green energy' theme continues to gather momentum which makes it considerably more challenging to attract external capital on reasonable terms"</i>.</p>	<p>The IBC is of the view that implementation of 'green energy' requires continued use of thermal coal to generate electricity while renewable sources of energy are implemented and that steel, which requires steelmaking coal to produce it, is still needed for the infrastructure to support 'green energy'. Furthermore, the utilisation of a higher proportion of quality steelmaking HCC is the most effective route for steelmakers to reduce their carbon footprint.</p> <p>As a result, funding arrangements for coal assets continue to be reported. For example:</p> <ul style="list-style-type: none"> (a) the purchase of Idemitsu's Ensham mine by a consortium led by Thungela (South Africa's leading export thermal coal producer) (completed August 2023); (b) a 5 year credit facility of US\$1,100 million announced by Whitehaven Coal to support its acquisition of BMA's Blackwater and Daunia mines (December 2023); and (c) the financing of development of the Dartbrook Project by Vitol (finalised January 2024), <p>all of which are in Australia.</p> <p>An article in Reuter's written on 22 February 2024 stated <i>"Metallurgical coal is the commodity world's quiet performer...while the price is well below record US\$635 a ton reached in March 2022 amid fears to global supplies after Russia's invasion of Ukraine in February of that year, it's still well above the broad US\$100-US\$250 range that prevailed from 2018 to mid 2021"</i>.⁵</p>

⁵ <https://www.reuters.com/markets/commodities/metallurgical-coal-is-commodity-worlds-quiet-performer-russell-2024-02-22/>

	Coking coal prices closed on Friday 23 February 2024 at US\$314/t, a level of pricing maintained over the last four months.
--	---

3.7. You may consider that there is potential for a superior proposal to emerge

You may believe that a superior proposal for all the Target Shares could emerge in the future. Target Shareholders should note that as a condition to the ASIC Joint Bid Relief Exemption granted by ASIC to the Joint Bidders, there are specific requirements and consequences if a rival bid emerges.

A superior proposal could potentially take the form of either a Rival Bid (which satisfies the conditions of the ASIC Joint Bid Relief Exemption, including that it is free of defeating conditions) or an alternative third party proposal which does not satisfy the conditions of the ASIC Joint Bid Relief Exemption (because it is subject to defeating conditions).

If a Rival Bid is made during the Offer Period and the Bidder Parties match or increase the Offer Price in accordance with the Matching or Higher Offer requirements of the ASIC Joint Bid Relief Exemption, then Target Shareholders who have accepted the Offer will be entitled to the higher consideration offered by the Bidder.

If a Rival Bid is made during the Offer Period and the Bidder Parties do not match or increase the Offer Price in accordance with the conditions and requirements of the ASIC Joint Bid Relief Exemption, then Target Shareholders who have not accepted the Offer will be entitled to accept into a Rival Bid.

If an alternative proposal emerges during the Offer Period but which does not satisfy the conditions of being a Rival Bid (e.g. the value of consideration offered is not 105% or more of the value of the Offer Price, or the alternative proposal is not a formal and final takeover offer free of defeating conditions), Target Shareholders who have accepted the Offer will not be able to withdraw their acceptance in order to consider any alternative proposal if the Offer has become unconditional (because the Minimum Acceptance Condition has been satisfied and the Offer has been freed of all defeating conditions or the other Conditions have been satisfied). If the Offer has not become unconditional (because the Minimum Acceptance Condition has not been satisfied and other Conditions remain), acceptances from Target Shareholders will be cancelled where the Offer lapses, and Target Shareholders would still own their Target Shares and be able to consider any alternative proposal.

The Independent Board Committee will keep Target Shareholders informed if there is any likelihood of a Rival Bid or superior proposal emerging and update Target Shareholders. If another proposed offer for your Shares is announced during the Offer Period, the Target will issue a supplementary target's statement.

4. Reasons why you may decide to accept the Offer

The potential reasons for accepting the Offer referred to in this Section 4 should be considered against your own personal circumstances and the potential benefits that you, as a current Target Shareholder, may receive under the Offer.

4.1. You may disagree with the recommendations of the Independent Board Committee

You may believe that the Offer Price of A\$0.16 per Target Share is sufficient and you may hold a different view as to the value of Target Shares. Even if you hold this view, you should also have regard to the risks of remaining a Target Shareholder after the Offer closes or lapses.

4.2. You may prefer to sell your Target Shares on market

You may wish to realise your investment in the Target through the sale of some or all of your Target Shares on the ASX, JSE or AIM market.

Since the Announcement Date, there has been NO market trading of Target Shares on the ASX at prices which exceed the Offer Price of A\$0.16. Trading has been in the range of A\$0.14 to A\$0.15 per Share.

However, your ability to sell your Target Shares on the ASX at a price above the Offer Price is subject to there continuing to be available liquidity to do so.

If you sell your Target Shares on market, you:

- will lose the ability to accept the Offer, or to participate in any other superior proposal that may emerge;
- may receive more or less for your Target Shares than the Offer Price of A\$0.16 cash per Target Share; and
- may incur a brokerage charge.

4.3. The Offer provides certain and immediate value in the form of cash consideration for your entire investment in the Target

You may wish to accept the Offer if you consider that the Offer provides certainty of value, with all consideration in cash.

If you accept the Offer and the Offer is declared unconditional, you will:

- be paid A\$0.16 in cash for each Target Share which you hold (unless the Offer Price is increased by the Bidder);
- not incur any brokerage fees which would likely be incurred if you were to sell your Target Shares on market; and
- receive payment for the Offer on the earlier of one month after the takeover contract under the Offer has become unconditional and 21 days after the end of the end of the Offer Period (subject to certain exceptions and differences if you own Shares on the Target United Kingdom Register or Target South African Register).

You may wish to accept the Offer if you consider that the Offer provides you with an opportunity to dispose of 100% of your Target Shares in a single transaction in circumstances where you may (depending on the size of your shareholding) presently face limited opportunities (other than under the Offer) to achieve full liquidity in respect of your Target Shares or may only do so at a discount to the applicable prevailing share price.

At the same time as providing certain value for your investment, by accepting the Offer you will eliminate any exposure to the risks inherent in continuing to hold Target Shares, including risks associated with being a minority shareholder (if the Offer is successful) and risks associated with the Target's business, funding uncertainty and general industry and market risks.

Please refer to Section 9 of this Target's Statement for further information about these risks. If you do not accept the Offer, the amount you will be able to realise for your Target Shares will be uncertain.

4.4. No superior proposal has emerged as at the date of this Target's Statement

As at the date of this Target's Statement, no alternative indicative proposals to the Offer have been put to the Target or the Independent Board Committee.

There is no certainty that a Rival Bid or superior competing proposal will emerge before the end of the Offer Period.

4.5. There are risks associated with not accepting the Offer

The Target has exposure to a number of risks including financial risks, strategic risks and risks related to the Target's operations. Section 9.3 of this Target's Statement sets out a description of these general risks which may affect the future operating and financial performance of the Target and the value of Target Shares. You will continue to be exposed to these risks if you remain a Target Shareholder. There are other potentially adverse consequences of remaining a Target Shareholder which are set out in Section 9.

4.6. Potentially adverse consequences if you choose not to accept the Offer

If you choose not to accept the Offer, there are certain potentially adverse consequences of which you should be aware:

(a) **The Target Share price may fall if the Bidder is not entitled to proceed to compulsory acquisition and the Offer closes**

Based on recent and historical trading prices, the Target Board believes that Target Shares may trade below the Offer Price of A\$0.16 per Target Share in the event that the Bidder is not entitled to compulsorily acquire the remaining Target Shares at the end of the Offer Period.

(b) **Risk of compulsory acquisition**

The Bidder may become entitled to exercise rights to compulsorily acquire all outstanding Target Shares, so that the Target becomes a wholly-owned subsidiary of the Bidder. If entitled to do so, the Bidder has indicated in its Bidder's Statement that it may exercise those rights.

The consideration to be paid to the remaining Target Shareholders under compulsory acquisition will remain the same as that paid to Target Shareholders which accept the Offer (being A\$0.16 per Target Share). However, it can be expected that the consideration for Target Shares on compulsory acquisition would be paid later than the time of payment if a Target Shareholder had accepted the Offer.

Sections 8.2 and 8.3 of the Bidder's Statement sets out further details regarding the compulsory acquisition procedures under the Corporations Act that may be used by the Bidder.

(c) **Ability to pass resolutions**

The Bidder Parties are in a position to cast a majority of votes at a general meeting of the Target. This would enable the Bidder Parties to control the composition of the Target Board and senior management, determine the Target's dividend policy and control the strategic direction of the business. If the Bidder (through the Consortium Members) acquires a Relevant Interest in 75% or more of the Target Shares, the Bidder will be able to pass special resolutions. This will enable the Bidder (through the Consortium Members) to, amongst other things, change the Target's Constitution.

(d) **It may be more difficult or impossible to sell your shares after the Offer**

If your Target Shares are not acquired under the Offer and/or via compulsory acquisition and the Target Shares remain listed on the ASX, JSE and admitted to trading on AIM (subject to the Target being delisted), it may be more difficult for you to sell your Target Shares due to a potential reduction in liquidity. At the commencement of the Offer the Bidder Parties have an aggregate Relevant Interest in approximately 64.3% of Target Shares. Each acceptance of the Offer will reduce the liquidity of Target Shares and this may make it difficult to sell your Target Shares.

Where the Bidder achieves the Minimum Acceptance Condition and acquires 82.19% and since having acquired at least 75% is able to apply to delist the Target, subject to any other regulatory conditions required under the listing rules of the ASX, AIM and JSE, your Target Shares would cease to be able to be traded on the ASX, AIM and JSX. Refer to Section 6.13 of this Target's Statement and Section 8.2 and 8.3 of the Bidder's Statement regarding further particulars about the legal and regulatory requirements under the ASX, AIM and JSE respectively for when an entity can be delisted.

4.7. Cash Value

The Offer provides certain cash value for your Target Shares and removes the investment and implementation risks associated with the significant capital investment required for the Target to fund the development of its projects and operations over the short to medium term to achieve profitable scale in the future.

4.8. Capital Raise

If the Offer is not successful, the Target, will be required to secure financing, via debt or equity, or a combination of both, as well as other project financing alternatives such as engineering, procurement, construction (EPC) plus finance.

5. Your choices as a Target Shareholder

The Target encourages you to consider your personal risk profile, investment objectives and tax and financial circumstances before making any decision in relation to your Target Shares. As a Target Shareholder, you have the following three choices available to you in relation to the Offer:

5.1. Option 1 – Reject the Offer

If you do not wish to accept the Offer and wish to retain your Target Shares, you do not need to take any action.

Subject to acceptances under the Offer, if the Bidder reaches the required thresholds outlined in Section 6.12 of this Target's Statement it will be entitled to compulsorily acquire your Target Shares under the Corporations Act. If compulsory acquisition proceeds, you will receive your consideration later than Target Shareholders who choose to accept the Offer. Please refer to Section 6.12 of this Target's Statement for further details on compulsory acquisition.

If you successfully challenge the compulsory acquisition process (and the Bidder does not subsequently make a successful offer with revised consideration), you will remain a minority Target Shareholder in the Target, with potential adverse implications, including that it may be difficult for you to sell your Target Shares (or the Target may be delisted from ASX, AIM and JSE).

If you are in doubt as to how to act, you should consult your financial, legal or other professional adviser without delay.

5.2. Option 2 – Sell your Target Shares (other than via the Offer / on-market)

During a takeover, shareholders in a target company may still sell their shares for cash on-market provided that they have not accepted a takeover offer for those shares. Accordingly, Target Shareholders remain free to sell some or all of their Target Shares on the ASX, JSE or AIM market, provided they have not already accepted the Offer. If you choose to sell, settlement will occur on a normal "T+2" basis (on the ASX) or on "T+3" basis (on the JSE) and the purchaser of those Target Shares may accept the Offer in respect of those Target Shares.

Subject to liquidity, you could alternatively sell some of your Target Shares on-market and then accept (or not accept) the Offer for the balance of your Target Shares.

Since the Announcement Date and until 1 March 2024 (being the latest practicable date prior to the date of this Target's Statement), Target Shares have been trading on the ASX at prices between A\$0.14 to A\$0.15 per Share (inclusive, with the last price per Target Share being A\$0.14 per Share on 1 March 2024).

However, this trading since the Announcement Date is coincidental with the announcement of the Offer and should not be taken as indicative of the price at which Target Shares would trade in the absence of the Offer or should the Offer not complete.

There is no guarantee of the price at which the Target Shares will trade from time to time on-market, whether before or after the end of the Offer Period (nor of the volume of trading). The latest price for the Target Shares may be obtained from the ASX's website <http://www.asx.com.au> (ASX: MCM) and the London Stock Exchange's website at www.londonstockexchange.com (AIM: MCM)

Target Shareholders who sell their Target Shares other than via the Offer:

- will lose the ability to accept the Offer, or to participate in any other competing or superior proposal that may emerge (if any);
- may receive more or less for their Target Shares than the consideration under the Offer of A\$0.16 cash per Target Share; and
- may incur a brokerage charge.

Target Shareholders who wish to sell their Target Shares other than via the Offer should contact their stockbroker or financial adviser for instructions on how to effect that sale. The taxation implications of selling your Target Shares other than via the Offer depend on a number of factors and will vary according to your particular circumstances, in the same way as if you accept the Offer. You should seek your own specific professional advice regarding the taxation consequences for you of selling your Target Shares.

5.3. Option 3 – Accept the Offer

General

You may accept this Offer at any time during the Offer Period.

Section 13.3 of the Bidder's Statement and First Supplementary Bidder's Statement sets out the procedure for accepting the Offer for Target Shareholders on the Target Australian Register, Target South African Register and Target United Kingdom Register.

It is worth noting that accepting the Offer would (subject to any possible withdrawal rights set out in this Target's Statement):

- prevent you from participating in any competing superior proposal that may emerge (unless a Rival Bid led to the consequence of the Bidder increasing the Offer Price under the Matching or Higher Offer requirement referred to in Section 1 ('What happens if the Offer Consideration is increased?' and 'What happens if there is an alternative competing bidder?') and 6.3 of this Target's Statement); and
- prevent you from otherwise selling your Target Shares.

Acceptance procedure for Target Shareholders on the Target Australian Register

(a) How to accept the Offer

If you choose to accept the Offer, then your acceptance must be received by the Bidder before the end of the Offer Period. The Offer Period ends at 7:00pm (Sydney time) on Friday, 5 April 2024, unless extended. Instructions on how to accept the Offer are set out in Section 13.3 of the Bidder's Statement and on the Acceptance Form accompanying the Bidder's Statement. If you want to accept the Offer, you should follow these instructions carefully to ensure that your acceptance is valid.

(b) Effect of acceptance

If you accept the Offer, you will be entitled to be paid the Offer Price by the Bidder in accordance with the terms of the Offer (see Section 13.6 of the Bidder's Statement for further information on the timing of the payment of the Offer Price).

The effect of acceptance of the Offer is explained in more detail in Section 13.5 of the Bidder's Statement. You should read those provisions in full to understand the effect that acceptance will have on your ability to exercise the rights attaching to your Target Shares and the representations and warranties that you are deemed by the Bidder to give to it by accepting the Offer.

The taxation implications of accepting the Offer depend on a number of factors and will vary according to your particular circumstances. A general outline of the Australian tax consequences of accepting the Offer is set out in Section 11.1 to 11.3 of this Target's Statement and Section 9 of the Bidder's Statement. You should seek your own specific professional advice regarding the taxation consequences for you in accepting the Offer.

Acceptance procedure for Target Shareholders on the Target South African Register**(a) How to accept the Offer**

If you choose to accept the Offer, then your acceptance must be received by the Bidder before the end of the Offer Period. The Offer Period ends at 7:00pm (Sydney time) on Friday, 5 April 2024, unless extended. Instructions on how to accept the Offer are set out in Section 13.3(f)-(g) of the Bidder's Statement and on the yellow SA Acceptance Form accompanying the Bidder's Statement. If you want to accept the Offer, you should follow these instructions carefully to ensure that your acceptance is valid.

(b) Effect of acceptance

If you accept the Offer, you will be entitled to be paid the Offer Price by the Bidder in accordance with the terms of the Offer (see Section 13.6 of the Bidder's Statement for further information on the timing of the payment of the Offer Price).

The effect of acceptance of the Offer is explained in more detail in Section 13.5 of the Bidder's Statement. You should read those provisions in full to understand the effect that acceptance will have on your ability to exercise the rights attaching to your Target Shares and the representations and warranties that you are deemed by the Bidder to give to it by accepting the Offer.

The taxation implications of accepting the Offer depend on a number of factors and will vary according to your particular circumstances. A general outline of the South African tax consequences of accepting the Offer is set out in Section 11.4 of this Target's Statement and Section 10 of the Bidder's Statement. You should seek your own specific professional advice regarding the taxation consequences for you in accepting the Offer.

Acceptance procedure for Target Shareholders on the Target United Kingdom Register

(a) How to accept the Offer

If you choose to accept the Offer, then your acceptance must be received by the Bidder before the end of the Offer Period. The Offer Period ends at 7:00pm (Sydney time) on Friday, 5 April 2024, unless extended.

If you are a UK Shareholder but hold your Target Shares in certificated form, your shareholding shall be held on the Target Australian Register.

If you hold your Target Shares in the form of UK Depositary Interest in uncertificated form (i.e. in CREST), you will be able to accept the Offer via the procedure for Electronic Acceptance through CREST as set out in the Bidder's Statement, as supplemented by the First Supplementary Bidder's Statement dated 15 February 2024.

The Bidder has appointed Computershare Investor Services PLC as the UK Receiving Agent in connection with the method of acceptance and settlement for Target Shares held via UK Depositary Interests in CREST.

If you hold your Target Shares as a CREST Sponsored Member, and wish to accept the Offer, you should refer acceptance of the Offer to your CREST Sponsor.

Instructions on how to accept the Offer are set out in Section 13.3(h)-(n) of the Bidder's Statement, as supplemented by the First Supplementary Bidder's Statement dated 15 February 2024. If you want to accept the Offer, you should follow these instructions carefully to ensure that your acceptance is valid.

(b) Effect of acceptance

If you accept the Offer, you will be entitled to be paid the Offer Price by the Bidder in accordance with the terms of the Offer (see Section 13.6 of the Bidder's Statement for further information on the timing of the payment of the Offer Price).

The effect of acceptance of the Offer is explained in more detail in Section 13.5 of the Bidder's Statement. You should read those provisions in full to understand the effect that acceptance will have on your ability to exercise the rights attaching to your Target Shares and the representations and warranties that you are deemed by the Bidder to give to it by accepting the Offer.

The taxation implications of accepting the Offer depend on a number of factors and will vary according to your particular circumstances. A general outline of the Australian, South African and United Kingdom tax considerations of accepting the Offer is set out in Section 11 of this Target's Statement and Sections 9 to 11 of the Bidder's Statement. You should seek your own specific professional advice regarding the taxation consequences for you in accepting the Offer.

6. Important information about the Offer

6.1. Background

On 2 February 2024, the Bidder made a conditional, all cash off-market takeover bid for any or all Target Shares that the Consortium Members do not have a Relevant Interest in at A\$0.16 per Target Share.

The Bidder lodged its Bidder's Statement with ASIC on 2 February 2024 and its First Supplementary Bidder's Statement dated 15 February 2024. The Bidder's Statement sets out the terms of the Offer. A copy of the Bidder's Statement and First Supplementary Bidder's Statement have been sent by the Bidder to all Target Shareholders.

6.2. Summary of the Offer

The Offer Price is A\$0.16 cash per Target Share subject to the terms and conditions of the Offer.

If you accept the Offer in respect of your Target Shares, then the Bidder will be entitled to all of the Rights attaching to your Target Shares.

6.3. Conditions to the Offer

The Offer is subject to a number of Conditions as set out in Section 13.9 of the Bidder's Statement.

ASIC Joint Bid Relief Exemption

As the Bidder is an Associate of the Consortium Members, who together have Voting Power and a Relevant Interest in aggregate of 64.3% of the Target's issued Shares, the Consortium Members have obtained an exemption under section 655A(1) of the Corporations Act exempting each of the Consortium Members and the Bidder (collectively the **Joint Bidders** and each a **Joint Bidder**) from section 606 of the Corporations Act in relation to the acquisition of Relevant Interests arising from the entry into and performance of the Joint Bid Deed referred to in Section 8.5 of this Target's Statement (**ASIC Joint Bid Relief Exemption**).

As a result of the ASIC Joint Bid Relief Exemption, ASIC enforced the following conditions:

(a) Minimum Acceptance Condition

The Offer is conditional on the Bidder receiving acceptances in respect of 50.1% or more of the Shares in which neither the Bidder, a Joint Bidder nor any Associate of a Joint Bidder had a Relevant Interest in (as at the beginning of the Offer Period) (**Minimum Acceptance Condition**). The Minimum Acceptance Condition cannot be waived by the Bidder, or any other party. In practical terms this means that the Bidder Parties must acquire a Relevant Interest in 82.19% or more of the Shares (ie. increase their Relevant Interest from 64.3% to 82.19% from acceptances under the Offer) before the Minimum Acceptance Condition is satisfied and before any Offer Consideration can be paid. **The Minimum Acceptance Condition cannot be waived by the Bidder Parties or any other person.**

(b) **Rival Bid Condition of ASIC Joint Bid Relief Exemption**

A condition of the ASIC Joint Bid Relief Exemption is that if a Rival Bid is made during the Offer Period and the Rival Bid offers to buy all Shares in the Target, is free of any defeating conditions and the consideration that is offered under the Rival Bid is more than 105% of the value (as assessed by ASIC) of consideration offered under the Offer, then the Bidder Parties must ensure that within the 7 day prescribed time, the consideration offered by the Bidder under the Offer is increased to a value that is equal to, or higher than, the consideration offered under the Rival Bid.

If the consideration offered under the Rival Bid involves non-cash consideration, ASIC has assessed the increased consideration under the Offer and has notified the Bidder Parties that it is satisfied that the consideration offered is of equal or higher value to that offered under the Rival Bid.

If the Bidder Party does not within the prescribed time match or increase its Offer where the Rival Bid condition is triggered, then the Bidder Parties must accept the offers made under the Rival Bid in respect of all of the Target Shares in which the Bidder Parties have a Relevant Interest by that time.

Defeating Conditions

The completion of the Offer and any contract resulting from acceptance of the Offer is subject to the fulfilment of the following other defeating conditions:

(a) **Conduct of business in the ordinary course and no material acquisitions, disposals or new commitments**

Except as proposed in any announcement by the Target to the ASX prior to the Announcement Date:

- (i) during the period from the Announcement Date to the end of the Offer Period (each inclusive), the Target's business and the business of the Target's subsidiaries is carried on in the ordinary course;
- (ii) none of the following events occurs during the period from the Announcement Date to the end of the Offer Period (each inclusive):
 - (A) the Target or any subsidiary of the Target acquires, offers to acquire or agrees to acquire one or more entities, businesses or assets (or any interest in one or more entities, businesses or assets) for an amount in aggregate greater than A\$5 million;
 - (B) the Target or any subsidiary of the Target disposes of, offers to dispose of or agrees to dispose of, or grants an option, or other right or entitlement (including a pre-emptive right) the effect of which could be the disposal or loss of control of, one or more entities, businesses or assets (or any interest in one or more entities, businesses or assets) for an amount, or in respect of which the book value (as recorded in the Target's consolidated statement of financial position as at 30 June 2023) is, in aggregate, greater than A\$5 million;
 - (C) the Target or any subsidiary of the Target enters into, or offers to enter into or agrees to enter into, any agreement, joint venture or

partnership which would require expenditure, or the foregoing of revenue, by the Target of an amount which is, in aggregate, more than A\$5 million;

- (D) the Target or any subsidiary of the Target incurs or otherwise becomes exposed to a liability or contingent liability for one or more related items with an aggregate amount or value greater than A\$5 million;
- (E) the Target or any subsidiary of the Target enters into, offers to enter into, agrees to enter into any transaction, or is otherwise affected by any transaction or proposal under which any third party would acquire any legal or economic interest in, or there would be any diminution in the rights granted under any mineral tenement held by the Target;
- (F) the Target or any subsidiary of the Target enters into, offers to enter into, agrees to enter into any transaction, or is otherwise affected by any transaction or proposal under which any third party would acquire any legal or economic interest in production from the Target's current or future operations or right to sell or market that production;
- (G) the Target or any subsidiary of the Target announces an intention to do any of the matters referred to in sections (a)(ii)(A) to (a)(ii)(F) of the defeating conditions set out above, or brings forward the time for performance of any commitments to, or releases any rights it has against, third parties relating to such matters in existence at the Announcement Date.

(b) **No Target Material Adverse Change**

No Target Material Adverse Change to occur before the end of the Offer Period.

(c) **No Target Regulatory Actions**

No Target Regulatory Actions to occur during the period from the Announcement Date to the end of the Offer Period (each inclusive).

(d) **No distributions**

Between the Announcement Date and the end of the Offer Period (each inclusive), the Target does not make, determine as payable or declare, or announce an intention to make, determine as payable or declare any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).

(e) **Non-existence of certain rights**

No person has any right (whether subject to conditions or not) as a result of the Bidder acquiring Target Shares to:

- (i) acquire, or require the Target or a subsidiary of the Target to dispose of, or offer to dispose of, any material asset of the Target or a subsidiary of the Target; or

- (ii) terminate or vary any material agreement with the Target or a subsidiary of the Target.

(f) **No Target Prescribed Occurrences**

No Target Prescribed Occurrences to occur during the period between the date that the Bidder's Statement is given to the Target and the end of the Offer Period (each inclusive).

(g) **No Prescribed Occurrences prior to dispatch**

None of the Target Prescribed Occurrences happen during the period commencing on the Announcement Date and ending at the end of the day immediately preceding the date the Bidder's Statement is given to the Target.

Please see Section 13.9 of the Bidder's Statement for further detail in relation to the Conditions that the Offer is subject to.

6.4. Status of Conditions

Throughout the Offer, but before the date for giving the notice of status of conditions, the Bidder must give notice of fulfilment of any Conditions. The Bidder must also give a notice to declare Offers free of a defeating Condition.

The Bidder has set 22 March 2024 as the date on which it will give the Target and ASIC a notice required by law on the status of the defeating Conditions. This date may be extended if the Offer Period is extended and the date for giving the notice is taken to have postponed for the same period.

All notices on the status of the Conditions from the Bidder will be notified to Target Shareholders in accordance with the requirements of the Corporations Act and will be available on the ASX.

6.5. Variation of the Offer

The Bidder may increase the Offer Price or extend the Offer Period at any time up until the end of the Offer Period in accordance with the Corporations Act. Under the Corporations Act, the total Offer Period cannot be more than 12 months.

In addition, there will be an automatic extension of the Offer Period if, within the last 7 days of the Offer Period, the Bidder improves the consideration offered under the Offer. In such circumstances, the Offer Period is automatically extended so that it ends 14 days after the relevant event occurs.

If the Bidder increases the Offer Price, any Target Shareholder who has already accepted the Offer will automatically be entitled to receive the amount of the increase on their Target Shares.

Further, if the Bidder increases the Offer Price in response to a Rival Bid under the Matching or Higher Offer requirement, then any Target Shareholder who has already accepted the Offer will automatically be entitled to receive the amount of the increase on the number of Target Shares accepted. In order for the Matching or Higher Offer requirement to be triggered, the Rival Bid must satisfy certain conditions, including that the value of the consideration under the Rival Bid is 105% or more of the value (as assessed by ASIC) of the consideration offered under Offer and that a Rival Bid is made before the end of the Offer Period.

6.6. Offer Period

The Offer opened for acceptance on 16 February 2024 and will remain open for acceptance until 7:00pm (Sydney time) on Friday, 5 April 2024 unless extended or withdrawn by the Bidder.

The circumstances in which the Bidder may extend or withdraw the Offer are set out in Section 1 and Section 13.13 of the Bidder's Statement.

Under section 650C(2) of the Corporations Act, the Bidder may extend the Offer Period after the publication of the notice on the status of defeating Conditions only if one of the following happens after the publication of the section 630 notice:

- (a) another person lodges with ASIC a bidder's statement for a takeover bid for securities in the bid class;
- (b) another person announces a takeover bid for securities in the bid class;
- (c) another person makes offers under a takeover bid for securities in the bid class;
- (d) the consideration for offers under another takeover bid for securities in the bid class is improved.

6.7. Withdrawal of Offer

The Bidder may not withdraw the Offer if you have already accepted it.

Before you accept the Offer, the Bidder may withdraw offers made in respect of the Offer only with the written consent of ASIC and subject to the conditions specified in such consent.

Any withdrawal of the Offer must be announced by the Bidder to the ASX.

6.8. Withdrawal Rights

Under section 650E(1) of the Corporations Act, a Target Shareholder who has accepted the Offer has a right to withdraw their acceptance to the Offer in the following circumstances:

- (a) the Offer is subject to a defeating condition; and
- (b) the Bidder varies the offers under the Offer in a way that postpones for more than 1 month the time when the Bidder has to meet its obligations under the Offer; and
- (c) the Target Shareholder is entitled to be given a notice of the variation under subsection 650D(1).

A notice of variation is not required to be sent by the Bidder if the variation merely extends the Offer Period and the Offer is not subject to a defeating condition at the time the notice is given to the Target.

6.9. Effect of acceptance and your ability to withdraw your acceptance

The effect of accepting offers made pursuant to the Offer is set out in Section 13.5 of the Bidder's Statement, as supplemented by the First Supplementary Bidder's Statement. You should read those provisions in full to understand what the effect of

accepting offers made pursuant to the Offer will be, including in respect of the Rights attaching to the Shares and the extent of any representations and warranties that you will be deemed to have provided if you choose to accept the Offer.

Target Shareholders who accept the Offer give up their rights to sell or otherwise deal with their Target Shares, unless withdrawal rights are available under the Corporations Act and are exercised.

If a Target Shareholder has accepted the Offer but the Minimum Acceptance Condition is not satisfied and the other Offer Conditions are not satisfied or waived before the end of the Offer Period, the Offer will lapse. This means that if you have accepted the Offer you will not receive any Offer Consideration but will be free to deal with your Target Shares.

6.10. Superior Proposal

If you accept the Offer, a Rival Bid that satisfies all conditions of the ASIC Joint Bid Relief Exemption emerges and the Bidder makes a Matching or Higher Offer within the prescribed 7 day period, then the Bidder will be required to increase the value of the consideration offered in accordance with its Matching or Higher Offer and you will receive the increased Offer Price.

If you reject the Offer and no other offer eventuates, you will be subject to the risks outlined in section 9.3 of this Target's Statement, including that the price of Target Shares may fall.

The Independent Board Committee will keep the Target Shareholders informed if there is any Rival Bid or competing superior proposal.

Should another offer be announced during the Offer Period, the Target will issue a supplementary target's statement to Target Shareholders. Refer also to Section 3.7 of this Target's Statement.

6.11. Effect of an improvement in Offer Consideration on Target Shareholders

If the Bidder improves the Offer Consideration under the Offer, all Target Shareholders, whether or not they have accepted the Offer before that improvement in Offer Consideration, will be entitled to the benefit of that improved Offer Consideration.

6.12. Effect of the Bidder lodging a compulsory acquisition notice

The Bidder has stated in Section 8.2 of the Bidder's Statement that it may proceed to compulsorily acquire all outstanding Target Shares if it is entitled to do so and may do so using either of the compulsory acquisition rights available to it under the Australian Corporations Act, as described below.

(a) Part 6A.1 of the Corporations Act – Follow on compulsory acquisition of bid class securities

Under Part 6A.1 of the Corporations Act, if, at any point during, or at the end of, the Offer Period, the Bidder and its Associates (which include the Consortium Members) have:

- Relevant Interests in at least 90% (by number) of the Target Shares, being the bid class securities; and

- acquired at least 75% (by number) of the Target Shares for which it has made the Offer, (whether the acquisitions happened under the Offer or otherwise),

the Bidder will be entitled to compulsorily acquire any outstanding Target Shares for which it did not receive acceptances, on the same terms as the Offer.

If these thresholds are met, the Bidder will have up to 1 month after the end of the Offer Period within which to give compulsory acquisition notices to Target Shareholders who have not accepted the Offer. It may choose to commence compulsory acquisition as soon as the relevant thresholds are satisfied rather than wait until the end of the Offer Period.

Target Shareholders have statutory rights to challenge the compulsory acquisition of their Target Shares, but a successful challenge will require the relevant Target Shareholder to establish to the satisfaction of an Australian court that the terms of the Offer do not represent "fair value".

Target Shareholders should be aware that if they do not accept the Offer and their Target Shares are compulsorily acquired, those Target Shareholders will face a delay in receiving the Offer Price compared with Target Shareholders who have accepted the Offer (and the Offer is declared unconditional). However, these Target Shareholders will be paid the same consideration under compulsory acquisition as the Offer Price.

(b) **Part 6A.2 of the Corporations Act – General compulsory acquisition**

Under Part 6A.2 of the Corporations Act, the Bidder will be entitled to compulsorily acquire any Target Shares if the Bidder (either alone or with a Related Body Corporate) holds full beneficial interests in at least 90% of the Target Shares (by number).

If this threshold is met, the Bidder will have 6 months after it becomes a 90% holder within which to give compulsory acquisition notices to the relevant Target Shareholders to acquire for a cash sum only all the Shares in which the Bidder nor any Related Body Corporate has full beneficial interests in. The compulsory acquisition notices sent to the Target Shareholders must be accompanied by an independent expert's report (which must be prepared by an expert nominated by ASIC) and an objection form.

The independent expert's report must set out whether the terms of the compulsory acquisition give 'fair value' for the Target Shares concerned and the independent expert's reasons for forming that opinion.

If Target Shareholders with at least 10% by value of Target Shares covered by the compulsory acquisition notice object to the acquisition before the end of the objection period (which must be at least one month), the Bidder may apply to the court for approval of the acquisition of the Target Shares covered by the notice. The Bidder must establish to the satisfaction of the court that the terms of the compulsory acquisition give 'fair value' for the Target Shares concerned. The costs incurred by any Target Shareholder who objects in legal proceedings in relation to the compulsory acquisition must be borne by the Bidder, unless the court is satisfied that the Target Shareholder acted improperly, vexatiously or otherwise unreasonably.

The Bidder has stated in section 8.3 of its Bidder's Statement that even if the Bidder is not entitled to proceed to compulsory acquisition of minority holdings after the end of the Offer Period under Part 6A.1 of the Corporations Act, it may

subsequently become entitled to exercise rights of general compulsory acquisition under Part 6A.2 of the Corporations Act. For example, as a result of acquisitions of Target Shares in reliance on the '3% creep' exception in item 9 of section 611 of the Corporations Act. The Bidder has stated that it intends to exercise those rights.

(c) **Objecting to the compulsory acquisition process**

Should a compulsory acquisition notice be lodged, if any Target Shareholder wishes to prevent the compulsory acquisition process in respect of its Target Shares, that shareholder must apply to the Australian court under Part 6A.1 of the Corporations Act or lodge a notice of objection under Part 6A.2 of the Corporations Act. In the case of compulsory acquisition under Part 6A.1, a successful challenge will require the relevant Target Shareholders to establish to the satisfaction of an Australian court that the consideration offered is not "fair value". In the case of compulsory acquisition under Part 6A.2, a successful challenge will require Target Shareholders with at least 10% of the Target Shares covered by the compulsory acquisition notice to object to the compulsory acquisition, in which case, the Bidder would have to establish to the satisfaction of the Australian court that the terms of the compulsory acquisition give 'fair value' for the Target Shares concerned.

Any application must be made before the later of:

- one month from when the Target Shareholder was notified of the compulsory acquisition by way of a compulsory acquisition notice; or
- the end of 14 days from when the Target Shareholder requests the written statement of names and addresses from the Bidder (this applies to a follow on compulsory acquisition only under Part 6A.1).

(d) **Effect of exercising compulsory acquisition on JSE listing**

Section 8.2 of the Bidder's Statement discloses that if the Bidder exercises follow on or general compulsory acquisition rights under Parts 6A.1 and/or Part 6A.2 of the Corporations Act, in respect of the JSE listing, it is anticipated that the JSE will initiate a termination of the Target's listing on the basis it does not meet JSE public shareholder spread requirements. The Bidder's Statement states that the Bidder Parties will not object to a delisting by the Target.

6.13. Bidder's intentions regarding delisting the Target

The Bidder's intentions regarding seeking to remove the Target from the ASX depend on the level of Relevant Interests the Bidder acquires as a result of any acceptances under the Offer.

If the Bidder reaches the 90% compulsory acquisition threshold and the Bidder proceeds to compulsory acquisition, the ASX will automatically suspend quotation of the Target's Shares 5 business days after it receives a copy of the compulsory acquisition notice sent to holders of Shares that the Bidder is entitled to compulsorily acquire their Shares. The Bidder has stated that if it (together with the Relevant Interests of the Consortium Members) acquires 90% or more of the Target Shares, it may proceed to compulsory acquisition under Part 6A.1 of the Corporations Act.

The Bidder has also indicated in its Bidder's Statement that if at the end of the Offer Period the Bidder does not have a Relevant Interest in at least 90% of all Target Shares,

but that the Offer is successful and at the end of the Offer, the Bidder will own or control at least 75% of the Shares in the Target, and certain other conditions generally required by the ASX are satisfied, then the Bidder intends to seek to replace some of the members of the Target Board and may propose that the Target Board apply to terminate the official quotation of the Target Shares on the ASX and arrange for the Target to be removed from the official list of ASX, JSE and from trading on AIM.

In the circumstances where the Bidder does not have a Relevant Interest in at least 90% of all Target Shares at the end of the Offer, in order for the Offer to be successful and for the Bidder to seek to delist the Target, the Minimum Acceptance Condition would need to have been satisfied - meaning that the Bidder would need to have acquired a Relevant Interest in at least 82.19% of all Target Shares currently on issue.

If the Target is successfully delisted from the ASX, the Target Shares will not be able to be bought or sold on the ASX.

Potential Board Changes of the Target and potential consequences

As noted above and in the Bidder's Statement, if at the end of the Offer Period the Bidder does not have a Relevant Interest in at least 90% of all Target Shares, but that the Offer is successful and at the end of the Offer, the Bidder owns or controls at least 75% of the Shares in the Target, and certain other conditions generally required by the ASX are satisfied, then the Bidder intends to seek to replace some of the members of the Target Board.

Any appointments of new directors to the board of the Target, as an AIM-quoted company (subject to the Target Shares continuing to be admitted to trading on AIM) are subject to the satisfactory completion of regulatory due diligence and appropriateness checks by the Target's Nominated Adviser.

Should the Target's Nominated Adviser determine that any proposed directors are not suitable to act as directors of the Target, as an AIM-quoted company, and the Target proceeds with those appointments, the Nominated Adviser would be forced to consider its position as nominated adviser to the Target. In the event that the Target's Nominated Adviser were to resign as nominated adviser, the Target Shares would be suspended from trading immediately and, in accordance with AIM Rule 1, the Target would then have one month to appoint a replacement nominated adviser, failing which the Target's admission to trading on AIM would be cancelled.

(a) Important legal protections concerning an ASX delisting of the Target

The Target Shareholders should note the following important legal protections regarding any potential delisting of the Target from the ASX:

1. any decision to apply to the ASX to delist the Target would need to be made by the Target Board as constituted after the end of the Offer Period and at the time of any application to the ASX. In this regard the Bidder's intentions are that where it has acquired Relevant Interests of at least 82.19% but less than 90% of the issued capital, then the Bidder intends to seek to replace some of the members of the current Target Board but that their identity will depend on Bidder's review and the circumstances at the relevant time;
2. the Target Board (as constituted after the end of the Offer Period and at the time of any application to the ASX) could only decide to seek a

delisting if the Board concludes that this action is in the best interests of the Target and the Target Shareholders as a whole at the relevant time;

3. ASX states⁶ that it will use its discretion to ensure that the delisting of any entity is being sought for acceptable reasons. For example, ASX notes that a request to remove an entity from ASX that is primarily or solely aimed at denying minority securityholders a market for their securities, in order to coerce them into accepting an offer from a controlling securityholder to buy their securities at an undervalue, would be an unacceptable reason for requesting removal from the official list of ASX;
4. ASX applies a number of guidelines to safeguard the interests of minority shareholders in the context of any proposed delisting;
5. A key ASX guideline provides that the approval of minority Target Shareholders would most likely be needed for ASX to allow delisting following a takeover bid unless each of the following conditions are met:
 - (A) the Bidder and its Related Bodies Corporate and Associated Consortium Members have attained ownership of at least 75% of the Target Shares. In the context of the requirement of the Minimum Acceptance Condition, the 75% level of ownership in effect means that the Bidder parties must own at least 82.19% of the Target Shares after the end of the Offer Period;
 - (B) the Bidder foreshadowed in its Bidder's Statement that it intended, if it secured control of the Target to cause the Target to apply for removal from the Official List of the ASX;
 - (C) there are fewer than 150 Target Shareholders (excluding Bidder and its Related Bodies Corporate) whose shareholding is worth at least \$500;
 - (D) the Offer remains open for at least two weeks following the Bidder and its Related Bodies Corporate and Associated Consortium Members having attained ownership or control of at least 75% of Target Shares; and
 - (E) the Target has applied for removal from the official list of ASX no later than one month after the close of the Offer.
6. ASX states that it will usually require the following conditions to be satisfied before it will act on a request for delisting:
 - (A) the Target sends a letter or email to the Target Shareholders advising them of the nominated time and date at which the Target will be removed from the official list of the ASX and that if they wish to sell their Target Shares on ASX, they will need to do so before the Target is removed from the official list of ASX, and if they do not, that they will only be able to sell their Target Shares off-market; and

⁶ See ASX Guidance Note 33, which sets out ASX's policy in relation to the delisting of entities from the ASX official list.

- (B) the removal of the Target from the official list of ASX not take place any earlier than 3 months after that statement has been sent to the Target Shareholders, so that they have at least that period to sell their Target Shares on ASX should they wish to do so.

If the above conditions are not satisfied, the ASX may approve an application for the Target to be delisted from the ASX with Target Shareholder approval and subject to any other conditions that the ASX requires to be satisfied.

Where an entity requesting removal from the official list is an ASX Listing whose ordinary securities are not, and will not be, readily able to be traded on another exchange, except where the conditions in item 5 above have been satisfied, the ASX will usually require the entity to obtain shareholder approval to its removal by way of a special resolution, and the removal must not take place any earlier than one month after shareholder approval has been obtained. Where ASX requires shareholder approval to the delisting, the ASX may impose a voting exclusion on the bidder and its associates from approving the delisting resolution. The ASX regulatory guidance provides that a voting exclusion will be imposed where the entity has been the subject of a takeover bid in the preceding 12 months, and, in ASX's opinion, the bidder and its associates have attained effective control of the entity without satisfying the conditions mentioned in item 5 above.

7. Even if the ASX requirements are satisfied, a minority shareholder may have rights and remedies under section 232 of Part 2F.1 of the Corporations Act to prevent a delisting if they can show that delisting is contrary to the interests of shareholders as a whole or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, a shareholder or shareholders whether in that capacity or in any other capacity. That remedy may be available even where the board has acted in good faith for a purpose within the directors' power, but which reasonable directors would think to be unfair. A shareholder seeking to object to a delisting may also have remedies under Part 6.10 Division 2 Subdivision B of the Corporations Act if they consider the removal involves "unacceptable circumstances".

(b) **Other considerations regarding cancellation to trading on AIM and/or delisting from JSE**

Section 8.3 of the Bidder's Statement also sets out the legal and regulatory considerations that apply in relation to the Target's eligibility to remain admitted to trading on AIM and listed on JSE and where the Bidder seeks to procure a cancellation to trading on AIM and JSE delisting.

If the Minimum Acceptance Condition is satisfied (i.e. the Bidder Parties own at least 82.19%) and the Bidder declares the Offer wholly unconditional, the Bidder has stated that it may procure an application to cancel the admission of the Target Shares to trading on AIM, or procure a meeting to vote on cancellation of the Target's admission to trading on AIM.

If such conditions are satisfied and application is made, it is expected that cancellation of the admission to trading on AIM of the Target Shares would take place no earlier than 20 Business Days after the date on which the Bidder has, by virtue of its shareholding and acceptances of the Offer, acquired, or agreed

to acquire, 75% of the voting rights attaching to the Target Shares, and the Offer becoming or being declared wholly unconditional.

Should the Offer lead to a delisting of the Target from ASX and AIM, the primary listing would default to the JSE and unless the Target can comply with the requirements of the JSE primary listing the JSE may consider suspension and terminating the listing. In the event the Target Shares are acquired up to a point that the spread required by the JSE Rules of 10% is not met, the JSE may suspend the listing of the Target and consider terminating the listing of the Target.

The Bidder has also stated that if the Target is not eligible for a primary listing on the JSE under the JSE Rule listing requirements, the JSE may initiate a termination of the Target's listing on the JSE. The Bidder's Statement states that in this regard the Bidder Parties will not be in support of a continued listing on the JSE.

(c) Disadvantages to the Target Shareholders on delisting

If, despite the above procedural protections, the Target is ultimately delisted from the ASX, AIM and JSE at some point in the future, any remaining Target Shareholders (i.e. those who did not accept the Offer) would be holders of unquoted shares. A delisting could result in a number of disadvantages for those Target Shareholders, such as:

1. the absence of an orderly, transparent and timely mechanism for share trading;
2. restricted information compared to that currently provided, as the Target would no longer be subject to the continuous disclosure requirements of the ASX Listing Rules. If the Target remains a public company after delisting and has at least 100 members, the Target would still be required to disclose material information to ASIC and likely on its website under the continuous disclosure requirements of the Corporations Act. Nevertheless, the level of shareholder reporting in these circumstances could be diminished; and
3. the ceasing of various requirements and protections for minority shareholders under the ASX Listing Rules, JSE Rules and AIM Rules. Examples or provisions that would cease to apply include:
 - (A) restrictions on the issue of new securities in excess of an entity's 15% placement capacity;
 - (B) restrictions on the issue of new securities to directors, related parties, substantial shareholders and persons of influence;
 - (C) a governance framework for related party transactions; and
 - (D) requirements to seek shareholder approval for significant changes in the nature or scale of the Target's activities or acquisition or disposal of major assets.

Exchange Control Regulation Considerations for Target Shareholders on the Target South African Register

Section 8.3 of the Bidder's Statement states that upon a delisting of the Target from JSE but where the Bidder Parties do not acquire 100% of Target Shares that this will mean that the unlisted Target Shares will constitute a foreign asset for Exchange Control Regulation purposes.

Target Shareholders are advised that in the event that the Target is delisted from the JSE but the Bidder does not acquire 100% of the Target Shares in issue, the unlisted Target Shares will constitute a foreign asset for Exchange Control purposes. Target Shareholders that do not wish to accept the Offer should establish whether they will be permitted to continue to hold Target Shares post such delisting and/or whether they require any additional Exchange Control approvals to do so and should ensure that the requisite approvals are secured before a delisting is effected.

The Bidder's Statement at Section 8.3 notes that Target Shareholders should ascertain whether they will require any additional Exchange Control approvals if and before any delisting of the Target where they retain their Target Shares.

Target Shareholders who continue to hold Target Shares on the Target South African Register should seek their own specific professional advice as to their individual circumstances and whether there are any implications or approval requirements that are applicable their personal circumstances and the ownership and status of the Target at that time.

6.14. Entitled to be registered as trustee or nominee

If at any time during the Offer Period you are registered or entitled to be registered as the holder of one or more parcels of Target Shares as trustee or nominee for, or otherwise on account of, another person, you may accept as if a separate and distinct offer on the same terms and conditions as the Offer had been made in relation to each of those distinct parcels and any distinct parcel you hold in your own right. To validly accept the offer for each parcel, you must comply with the procedure in section 653B(3) of the Corporations Act. If, for the purposes of complying with that procedure, you require additional copies of the Bidder's Statement and / or the Acceptance Form and you are a Target Shareholder on the Target Australian Register, please contact the Bidder's Australian Offer information line on 1300 737 760 (for calls made within Australia) or +61 2 9290 9600 (for calls made from outside Australia) between 9.00am and 5.00pm (Sydney time) on Business Days to request those additional copies.

6.15. When you will receive the Offer Price

If you accept the Offer, you will be paid the Offer Consideration on the earlier of:

- (a) one month after the date you accept the Offer, or if the Offer is subject to a defeating condition when you accept the Offer, within one month after the date all the Conditions to the Offer have been satisfied (or waived) and the takeover contract under the Offer becomes unconditional; and
- (b) 21 days after the end of the Offer Period, provided that the Offer has become unconditional (and where the Minimum Acceptance Condition has been satisfied).

7. Information about the Target

7.1. Overview of the Target

The Target is an Australian public company limited by shares, incorporated under the Corporations Act and whose Shares are primarily listed on the Australian Securities Exchange, ASX (ASX:MCM). The Target's shares are also quoted and admitted to trading on the financial markets provided by the Johannesburg Stock Exchange (**JSE**) and the AIM Market of the London Stock Exchange (**AIM**).

The principal activities of the Target and its subsidiaries and controlled entities (**Subsidiaries**) are the acquisition, exploration, development and mining operation of metallurgical and thermal coal projects in South Africa.

The Target and Subsidiaries (**Target Group**)'s key projects include the Uitkomst Colliery (metallurgical and thermal coal), the Makhado Project (hard coking coal), the Vele Colliery (semi-soft coking and thermal coal) and the Greater Soutpansberg Coal Projects (coking and thermal coal).

7.2. Target Group's principal assets and projects

Makhado steelmaking hard coking coal Project

The Target has a 67% interest in its flagship Makhado steelmaking HCC project, which spans an area of over 60km² across five farms in the Soutpansberg coalfield in the Limpopo province. During 2015, the Target agreed to sell 20% of the project to the Makhado Colliery Community Development Trust, comprising seven beneficiary communities. An agreement was also signed with a black industrialist, facilitating his acquisition of a 6% interest in Makhado, and the IDC acquired a 6.7% shareholding in terms of its existing R160 million (A\$12.8 million) loan facility (excluding interest). The 'shovel ready' Makhado Project has all the regulatory permits and owns the necessary surface rights required to commence mining operations.

The Makhado Project Implementation Plan developed for the first five years of production is to an accuracy of $\pm 10\%$. The Implementation Plan has a peak funding requirement of \pm ZAR1.8bn (A\$144m) and will deliver a project with a 28-year LOM. The funding is expected to be a combination of debt and equity and the Target has secured BOOT (build, own, operate, transfer) for a ZAR155m (\$12.4m).

The Makhado Project is progressing the tender process for the selection of the mining, CHPP operating and laboratory contractors which will look to be completed in H1 CY2024. The Target is assessing the various scenarios for the project to facilitate an accelerated start of coal production in H2 CY2024 (subject to further funding) and anticipates making announcements in due course.

Uitkomst Colliery

The Target holds an 84% interest in the Uitkomst Colliery, an owner-operated drill and blast underground coal mine situated in the Utrecht coalfield of KwaZulu-Natal. The remaining 16% is held by two broad-based Black Economic Empowerment trusts, one comprising employees and another host communities. It is a high-grade coal deposit which supplies the domestic steelmaking (PCI) and AP14 thermal coal markets. In FY2023, Uitkomst received approval from the Department of Mineral Resources & Energy to its mining right for the balance of its LOM (15 years remaining). Uitkomst currently mines the south adit (horizontal shaft) using three underground mining sections. The development of an additional adit (Adit 2k) to the north is expected to

commence in CY2024, once the necessary regulatory approvals have been received. This initiative will reduce the distances employees need for transport from surface to the mining sections and improve the underground ventilation, resulting in increased coal output.

The Target identified potential improvement opportunities and implemented the Operation Phenduka optimisation plan in June 2023 which included a revised underground operating shift system, benefitting coal production. Uitkomst achieved a 4% improvement in ROM coal production in CY2023 vs. CY2022 (488,549t vs. 469,873t) despite the increased frequency of blackouts implemented by the state power utility. Operating cash costs at the colliery reduced by 10% from July 2023 to January 2024 as a result of the optimisation plan.

Market conditions deteriorated in CY2023 with average API4 export coal prices of US\$121/t which is 56% lower than CY2022's US\$275/t. Uitkomst remains cash generative and provides funding for the Group despite the challenging operating conditions.

Vele Aluwani Colliery

The Vele Aluwani Colliery was placed on care and maintenance in August 2013 due to the global economic downturn and lower coal prices. The colliery's CHPP does not have the requisite fines circuits that would allow for the simultaneous production of SSCC and thermal coal. The construction of a CHPP at Makhado and improved market conditions created optionality for the potential recommencement of operations at Vele as previous Makhado development strategies incorporated the processing of Makhado crushed and screened ROM coal at Vele. Following this, a Contract Mining Agreement was concluded in December 2022 with Hlaethembeni Outsource Services Proprietary Limited (**HOS**) and Vele recommissioned shortly thereafter with limited financial and human capital requirements and the colliery produced 246,604t of saleable thermal coal in CY2023. The opportunities at Vele are significant if a fines circuit is added to the CHPP to produce SSCC, a higher value product.

Greater Soutpansberg Projects (GSP)

The GSP is situated in the Soutpansberg coalfield in the Limpopo province, located within close proximity to the Makhado Special Economic Zone. The GSP comprises three project areas, namely the Mopane, Generaal and Chapudi project areas. The GSP is owned by the Target (74%) and its BEE partner, Rothe Investments (Pty) Ltd (26%).

The GSP are the Group's long-term greenfield development area and comprise over 7.0bn gross tonnes in situ and includes HCC, SSCC and thermal coal. The Target has recently secured and has executed the mining rights for the Mopane and Generaal project areas and the execution of the Chapudi mining right is anticipated in Q1 CY2024.

7.3. Directors of the Target

Godfrey Gomwe (Managing Director and CEO and observer on the Independent Board Committee)

Mr Gomwe holds the qualifications of Chartered Accountant (Zimbabwe) B Acc (UZ) MBL(UNISA). He is a businessman with over 35 years' experience in metals and mining industries. He is the former Chief Executive Officer (CEO) of Anglo American Plc's global Thermal Coal business, whose responsibilities included oversight over Anglo's Manganese interests in the joint venture with BHP. He served as Executive Director of Anglo American South Africa until August 2012. His career included roles as Head of

Group Business Development Africa, Finance Director and Chief Operating Officer of Anglo American South Africa.

Previously, Godfrey was Executive Chairman and Chief Executive of Anglo American Zimbabwe Limited. He also served on a number of Anglo American operating Boards and Executive Committees including Kumba Iron Ore, Anglo American Platinum, Highveld Steel & Vanadium and Mondi South Africa, the latter two in the capacity of Chairman. Prior to joining Anglo American in 1999, Godfrey held many leadership positions and directorships in listed and unlisted companies.

Nhlanhla Nene (non-executive director) (member of the Independent Board Committee)

Mr Nene holds a B Comm. (Hons) from the University of the Western Cape, Certificate in Economics (UNISA) and a Certificate in Macro and Microeconomics (University of London). He is a former Minister of Finance, in the Republic of South Africa. Previously, he served as Deputy Minister of Finance and Chairman of the Public Investment Corporation, the largest institutional investor in South Africa. During his years in public office he represented South Africa at a number of Multilateral Institutions (IMF, World Bank, G20, BRICS, Commonwealth and the AfDB). Prior to this he held senior positions in financial services at Metropolitan Life. He served as Chairman of the Supervisory Board of Arise BV (Dutch based investment company with a focus on Africa), Non-executive Chairman of Thebe Investment Corporation and is a former director of Access Bank. He also served as Interim Director and Head of Wits Business School and Honorary Adjunct Professor: Wits Business School. He is the Chairman of the Old Mutual Super Fund.

An Chee Sin (non-executive director) (Non-Independent Director)

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 cofounded Pinnacle Tax Services Pty 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.

Zhen Brian He (non-executive director) (Non-Independent Director)

Mr 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.

Yi Christine He (non-executive director) (Non-Independent Director)

Ms He has a bachelor's degree in English Literature from Sichuan University and over 20 years' experience at senior management level. Her broad commercial experience includes, amongst others, the financing, development and execution of large construction and mining projects.

Julian Hoskin (non-executive director) (member of the Independent Board Committee)

Mr Hoskin is a qualified Mining Engineer and holds a Master of Applied Science (Mining Geomechanics) as well as a master's degree in Business Administration. During his 38 years working as a professional engineer, Mr Hoskin has been exposed to resource evaluation and project delivery and has managed mining operations as well as the construction of metallurgical and thermal coal mines and ports.

Mr Hoskin has developed mining projects in Australia, driving them up the value-curve from exploration to feasibility stage and ultimately, construction of the coal mine. He has extensive mine management experience and has also optimised established mines, ensuring improved returns for stakeholders.

Andrew Mifflin (non-executive director) (member of the Independent Board Committee)

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 various organisations such as British Coal Corporation, Xstrata and more recently Ensham Resources. He has gained in depth knowledge of coal operations, both thermal and hard coking coal as well as in project feasibility and development.

Khomotso Brian Mosehla (non-executive director) (Chairman of the IBC and member of the Independent Board Committee)

Mr Mosehla is a Chartered Accountant (South Africa) 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 was the CFO of The Housing Development Agency until March 2021. Mr Mosehla served as a Chairman of Northam Platinum Limited as well as Zambezi Platinum Limited until June 2021.

Ontiretse Mathews Senosi (non-executive director) (Non-Independent Director)

Mr Senosi is a qualified mining engineer (University of the Witwatersrand) with over 25 years' experience in mining and project execution. He gained experience at Anglo Coal before successfully pursuing personal business interests in mining, engineering and consulting as well as civil and construction projects, and was a key contributor in the successful execution of numerous coal mining projects. Mr Senosi has extensive experience in opencast and underground coal mining and is the CEO of the Overlooked Mining Group which produces over 7.5 million tonnes per annum of thermal coal for the export and domestic markets. He represents the Senosi Group Investment Holdings (Pty) Ltd, the Target's single largest shareholder and a Consortium Member.

7.4. Key senior management

The key senior management personnel of the Target are:

- (a) Godfrey Gomwe (Managing Director and Chief Executive Offer);
- (b) Florence Duval (General Manager: Sustainability); and

- (c) Stephen Rowse (General Manager: Finance & Administration).

7.5. Issued securities

As at the date of this Target's Statement, the Target's issued securities and share capital consists of:

- (a) 407,890,744 fully paid ordinary shares, being the Shares; and
- (b) 6,122,604 Performance Rights (unquoted) - held by members of key management personnel and other staff; and
- (c) 8,000,000 Options (unquoted) - held by Mr Godfrey Gomwe, CEO and Managing Director and issued under the terms of his engagement.

Options and Performance Rights carry no rights to dividend and no voting rights.

7.6. Substantial holders of the Target

Collectively, the Bidder and the Consortium Members, being the Bidder Parties hold in aggregate a Relevant Interest in 64.3% of the total issued share capital of the Target by virtue of their respective holdings and entry into the Joint Bid Deed and the making of the Offer under the Bidder's Statement. See Section 8.5 of this Target's Statement.

As at the last practical date prior to the date of this Target's Statement, the following entities (together with any of their Associates) have an individual interest in 5% or more of Target Shares by virtue of being registered as the holder of Target Shares:

Name of substantial shareholder	Number of Target Shares	Individual Relevant interest and Voting Power in Shares through registered holding (%)
Senosi Group Investment Holdings Proprietary Limited (an entity controlled by Mr Senosi, Non Independent Director) ** (Consortium Member)	95,357,455	23.38
Shining Capital GP Limited **(Consortium Member)	35,000,000	8.58
Dendocept Proprietary Limited **(Consortium Member) and associated with Jun Liu, Pacific Goal Investment Limited, Golden Archer Investments (Pty) Ltd, Jun Liu and Yi He (together the Dendocept Group)	28,265,593	6.93
Jun Liu and Huan Qu as joint trustees for the Golden Eagle Trust ** (Consortium Member) and member of the Dendocept Group	26,499,345	6.50
Pacific Goal Investment Limited **(Consortium Member) and member of	24,927,757	6.11

the Dendocept Group		
Haohua Energy International (Hong Kong) Resource Co., Ltd.	23,120,879	5.67
Ying He Yuan Investment (S) Pte Ltd **(Consortium Member)	21,413,462	5.25

The associated members of the Dendocept Group have a Relevant Interest in an aggregate 95,357,454 Shares (or 23.38%) of the issued Shares as at the date of this Target's Statement.

7.7. Target Board's interests in the Target Shares, Performance Rights and Options

As the date of this Target's Statement, the Directors hold the following interests in the Target's securities:

Name of Director	Number of Target Shares in which the Director has a direct Relevant Interest (as registered shareholder)	Number of Target Shares in which the Director has an indirect Relevant Interest & the holder of the Target Shares	Number of Performance Rights	Number of Options
Nhlanhla Nene	--	--	--	--
Godfrey Gomwe	4,000,000	--	--	8,000,000
Andrew Mifflin	--	--	--	--
Khomotso Brian Mosehla	--	--	--	--
Julian Hoskin	--	--	--	--
An Chee Sin	--	--	--	--
Zhen Brian He		264,485 (through ownership interest in Golden Archer Investment (Pty) Ltd)	--	--
Yi Christine He	8,644,674	28,265,593 (Dendocept Proprietary Limited - Yi He is the director and sole shareholder)	--	--

		<p>24,927,757 (Pacific Goal Investment Limited - Yi He's husband, Jun Liu, is a director)</p> <p>264,845 (Golden Archer Investment (Pty) Ltd - Yi He's brother is a director)</p> <p>26,499,345 (These shares are held on trust jointly by Jun Liu and Lu Zhang as trustees for the Golden Eagle Trust. Yi He is one of the beneficiaries)</p> <p>6,735,240 (Jun Liu - who is Yi He's husband)</p>		
Ontiretse Mathews Senosi		95,357,455 (ownership interest in Senosi Group Investment Holdings (Pty) Ltd)	--	--

As at the date of this Target's Statement, Mr Gomwe, an IBC Observer, holds 4,000,000 Target Shares and intends to reject the Offer in respect of all Target Shares held by him.

7.8. Trading or Acquisitions of Relevant Interests by Directors in Target Shares in the last four months

No Director has acquired or disposed of a Relevant Interest in any Target Shares in the last four months, ending on the date immediately before the date of this Target's Statement, other than as follows:

- (a) the Non-Independent Directors through their respective related Consortium Member entities acquired together with the other Bidder Parties a combined Relevant Interest in 64.3% of the Shares by virtue of the Bidder Parties' entry into the Joint Bid Deed, as disclosed to the market on 18 December 2023; and
- (b) as disclosed in the Target's 2023 Annual Report and the Target's ASX announcement on 27 October 2023, Mr Gomwe, the Managing Director and CEO was issued with 4,000,000 Shares, by reason of the vesting on 30 June 2023 of the first tranche of Options in accordance with his employment agreement.

7.9. Benefits and agreements

(a) Benefits in connection with retirement from office

No person has been or will be given any benefit (other than a benefit that can be given without member approval under the Corporations Act) in connection with the retirement of that person, or someone else, from a board or managerial office of the Target, Subsidiary or related body corporate of the Target.

(b) Agreements connected with or conditional on the Offer

There are no agreements made between any Director of the Target and any other person in connection with, or conditional upon, the outcome of the Offer other than in their capacity as a holder of Target Shares.

(c) Interests of Directors in contracts with the Bidder

By virtue of the joint bid Offer being conducted by the Bidder Parties, the Non-Independent Directors, being Mr Senosi, Ms He, Mr He and Mr Sin, have an interest in the Joint Bid Deed and Commitment Letter entered into by the Bidder.

Refer to Sections 8.5 and 8.6 of this Target's Statement and Sections 6.2(b) and 7.2 of the Bidder's Statement for details of these arrangements.

None of the Independent Directors, being Mr Nene, Mr Mosehla, Mr Miffillin or Mr Hoskin, nor the IBC Observer, CEO and Managing Director, Mr Gomwe have any interest in a contract with the Bidder or any other Bidder Party.

7.10. Effect of the Offer on the Target's convertible securities

The Target currently operates the following equity incentive arrangements:

- (a) Performance Rights Plan Rules under which 6,122,604 Performance Rights have been granted (and have not lapsed or been forfeited) and are expected to vest in the ordinary course subject to the satisfaction of certain performance conditions; and
- (b) Rules of the Target's Employee Share Option Plan under which 8,000,000 Options are outstanding and on issue to Mr Godfrey Gomwe, the Target's Managing Director and Chief Executive Officer. These engagement Options were issued under the terms of Mr Gomwe's employment contract.

The Offer does not extend to any Target Shares that are issued between the date of the Bidder's Statement and the end of the Offer Period as a result of the exercise of Options, the vesting or concession of Performance Rights, or the conversion of any other convertible securities.

In addition, Section 1 of the Bidder's Statement states that the Offer is subject to the condition that no Performance Rights, Options or other convertible securities on issue vest and are converted into Shares in the Target between the date of the Bidder's Statement and the end of the Offer Period.

The provisions of the Performance Rights Plan Rules and Target's Employee Share Option Plan govern the exercise, vesting and lapsing of the rights in the event of termination or cessation of employment of the relevant holder.

Under the terms of the equity incentive plans and awards, the Target Board has the ability to exercise its discretion to determine that unvested Performance Rights vest on an accelerated basis during a takeover offer or change of control event so as to allow holders to participate in the takeover offer. In exercising any discretion as to how to deal with the Options and Performance Rights the Board, the Target Board must consider all relevant factors.

The Independent Board Committee will consider all of its legal, contractual and regulatory obligations in respect of the treatment of outstanding Options and Performance Rights in light of the Offer.

If the 8,000,000 outstanding Options or 6,122,604 Performance Rights were, through the Target Board or IBC's exercise of discretion, to vest on an accelerated basis during the Offer Period due to the takeover offer, one of the Conditions of the Offer would be triggered and cause the Condition to not be satisfied. Unless the Condition was waived by the Bidder, such vesting could cause a Condition to not be able to be satisfied.

As at the date of this Target's Statement, no formal determination to exercise any discretion under the above plans has been made. The IBC will continue to monitor the progress of the Offer and the Conditions of the Offer. The Target will provide disclosure to the Target Shareholders if there is any change in the treatment of convertible securities in connection with the Offer.

The outstanding 8,000,000 Options which are held by Mr Gomwe were granted pursuant to his employment contract, which was approved at the Target's 2022 annual general meeting. Mr Gomwe's employment agreement provides that should there be a change of control event the 8,000,000 Options will vest immediately as at the date of change of control event. The Options were approved as granted under the Target's employee share option plan which provides that a "Change of Control Event" is where a shareholder, or a group of associated shareholders, becoming entitled to sufficient shares in the Target to give it or them the ability, and that ability is successfully exercised, in general meeting, to replace all or a majority of the Target Board.

7.11. Related Party Transactions

The Vele Aluwani Colliery was outsourced to Hlaletmbeni Outsource Mining Services (Pty) Ltd (**HOS**) in December 2022. The Target is currently owed A\$2.0m by HOS for royalties on coal sold as well as other services provided to them. HOS has informed MCM that a significant portion of this is owed by the Overlooked Mining Group, a company controlled by Mr Senosi, one of the Directors associated with the Bidder Parties. HOS has advised that the long outstanding balance will be settled by the end of March 2024.

Overlooked Collieries (Pty) Ltd, a company controlled by Mr Senosi, purchased 10,379t of thermal coal from Uitkomst Colliery during February 2024 resulting in a A\$1.1m trade creditor, payable within 30 days, no later than 31 March 2024.

The Target entered into a five-year lease agreement in August 2022 to rent office space from CRI-Eagle Investment (Pty) Ltd. CRI-Eagle Investment (Pty) Ltd is owned by Christine He. The monthly rental per lease agreement is R265,000 (A\$21,200) per month, with a 6% escalation each year on the 1st of July.

7.12. Effect of the Offer on the Target's Material Contracts

There are no material contracts to which the Target or a Subsidiary is party which contain change of control provisions that are or may be triggered as a result of, or as a result of acceptances under, the Offer.

7.13. Financial position

The Target will be releasing its half yearly report for the period ended 31 December 2023 by 15 March 2024.

(a) Requirement for a capital raising

A Condition of the Offer is that the Target does not conduct any form of capital raising or financing (including the issue of new securities) between the register date and the end of the Offer Period, without the written consent of the Bidder Parties.

Further, another Condition of the Offer is that the Target does not incur any significant liabilities or change the terms of its debt financing arrangement in any material respect between the Announcement Date and the end of the Offer Period, unless with the prior written consent of the Bidder Parties.

If the Offer is unsuccessful or is withdrawn by the Bidder, the Target will be required to conduct a form of capital raising or procure alternative financing. Refer to Section 9 of this Target's Statement for associated risks of financing and funding uncertainty where a Target Shareholder remains a Shareholder after the conclusion of the Offer Period.

If the Offer Period is extended beyond May 2024, based on the Target Board's current cash flow forecasts, the Target will be required to raise additional funds.

If the Offer is still progressing at that time and the consent of the Bidder Parties is not obtained to any capital raising or debt finance, then unless the above Conditions are waived by the Bidder, there is risk that a capital raising or debt financing, without appropriate approvals and depending on the financial circumstances at that time, could trigger a defeating Condition to not be satisfied.

The directors of the Target at that time will be required to consider the financial needs of the Target. To the extent that the Target Board propose any corporate actions, such as a capital raising, the Target will keep Target Shareholders informed of any developments so that Target Shareholders can make an informed decision if the Offer Period is still open.

(b) International Development Corporation (IDC) Loan

The Target has an unsecured loan of A\$12.8 million with the IDC accruing a real after-tax rate of return interest of 16% which is required to be repaid by 30 September 2024. In the absence of an extension to a future repayment date, and/or in the case of an unremedied default, the debt is convertible into equity in the Target or Baobab Mining & Exploration (Pty) Ltd, the owner of the Makhado Project, at the IDC's election.

(c) **Loan from ABSA Group Limited**

The Target has a US\$1.36 million overdraft facility with ABSA Group Limited with floating rate of South African Prime Plus 3%. The facility is secured by receivables and a bond over Uitkomst assets and is renewable annually.

7.14. Historical financial information

The Target's last published audited financial statements are for the year ended 30 June 2023 which were contained in the Target's Annual Report released on 31 October 2023. Target Shareholders should refer to the full financial statements lodged with ASIC and available on the ASX and Target's website for this information.

A further set of audited accounts for the half year ended 31 December 2023 is expected to be released by the Target on the ASX 15 March 2024. The Supplementary Target's Statement will contain details of the financial information for the half year ended 31 December 2023 once these interim results are available.

7.15. Future funding requirements

In the mid-term and where the Offer is not successful, the Target will be required to source funding, through a combination of equity, debt and/or other contractor build, own, operate, transfer (BOOT) or construction-based funding arrangements.

7.16. Intentions of Directors

The Non Independent Directors, being Mr Ontiretse Mathews Senosi, Mr Brian Zhen, Mr An Chee Sin and Ms Yi He (Christine) are associated with the Bidder Parties. The Joint Bid Deed governs how the Consortium Members will pursue the Offer. This Target's Statement does not provide any statements of intention regarding what the Non-Independent Directors intend to do with their Target Shares given that the Offer extends to Target Shares not already controlled by the Consortium Members.

Mr Godfrey Gomwe, the Managing Director and Chief Executive Officer holds 4,000,000 Shares and as at the date of this Target's Statement intends to not accept the Offer.

7.17. Litigation

The Independent Board Committee is not aware of any material adverse litigation or regulatory proceedings in respect of the Target or any of its Subsidiaries which have or could have a material adverse impact on the Target's financial position and assets.

7.18. Publicly available information and continuous disclosure

The Target is a company listed on the ASX and is subject to periodic and continuous disclosure requirements of the ASX Listing Rules and the Corporations Act.

These obligations require the Target to notify the ASX of information about specified matters and events as they occur for the purpose of making that information available to the market. In particular, the Target has an obligation (subject to limited exceptions) to notify the ASX immediately on becoming aware of any information which a reasonable person would expect to have a material effect on the price or value of the Target Shares.

A substantial amount of information on the Target is publicly available, including the Target's most recent Annual Report, which can be accessed by referring to the Target on www.asx.com.au (ASX:MCM).

Copies of documents lodged with ASIC in relation to the Target may be obtained from, or inspected at, an ASIC office. The Target Shareholders may obtain a copy of:

- (a) the 2023 Annual Report;
- (b) the Target's constitution; and
- (c) any document lodged by the Target with the ASX between the release of the Annual Report and the date of this Target's Statement,

free of charge upon request by contacting the Target's Company Secretary by email at tonyb@westozcorporate.com.au, or from the ASX website at www.asx.com.au. The Annual Report, and this Target's Statement are also available on the Target's website at www.mcmining.co.za.

7.19. Target Director - Insurance and Indemnities

The Target has entered into standard form of deeds of indemnity with its Directors against all liabilities which they may incur in the performance of their duties as Directors or officers of the Target, except liability to the Target or a related body corporate, liability for a pecuniary penalty or compensation order under the Corporations Act, and liabilities arising from conduct involving a lack of good faith. Subject to the Corporations Act, the Target is obliged to meet the full amount of all such liabilities in accordance with the terms of the deeds of indemnity.

In addition, each Director is indemnified, as authorised by the Target's constitution, against personal liability arising from their respective positions with the Target and its related bodies corporate.

The Target holds a directors' and officers' insurance policy on behalf of current Directors and officers of the Target and its subsidiaries. The Target intends securing a three-year 'run-off policy' for directors & officers to cover the period post takeover.

8. Information on the Bidder

8.1. Disclaimer

The information about the Bidder contained in this Target's Statement has been prepared by the Target using publicly available information in the Bidder's Statement and has not been independently verified. Accordingly, the Target does not, subject to the Corporations Act, make any representation or warranty, express or implied as to the accuracy or completeness of this information, nor does the Target assume any responsibility for it.

The information on the Bidder in this Target's Statement should not be considered comprehensive. Please refer to the Bidder's Statement for further information in respect of the Bidder.

8.2. Overview of the Bidder

The Bidder is Goldway Capital Investment Limited CR No. 3294426, a company limited by shares and incorporated in Hong Kong on 1 July 2023. The principal activity of the Bidder entity is to acquire the Target Shares under the Offer. The Bidder is an unlisted Hong Kong incorporated entity.

8.3. Directors of the Bidder

Mr Jun Liu is the sole director of the Bidder. The Bidder's Statement provided the following details about Mr Jun Liu:

Mr Jun Liu

Mr Jun Liu is a pioneer of Chinese investment in Africa. In 1995, Mr Liu founded Eagle International Group Holdings and later established Qingdao Eagle Canyon Real Estate Company Limited in China. Mr Jun Liu's business interests span across a number of sectors including real estate, finance, energy and mining. Mr Liu's mining interests include large scale gold and lithium operations in Zimbabwe and his combined substantial equity interest in the Target together with his partner, Ms Yi He (Ms Christine He, a Non-Independent Director).

8.4. Authorised representatives of the Bidder

Mr Ontiretse Mathews Senosi and Ms Yi (Christine) He have authority to represent and act on behalf of the Bidder pursuant to the Joint Bid Deed. Information on their qualifications and experience is contained in Section 7.3 of this Target's Statement and Section 4.3 of the Bidder's Statement.

8.5. Joint Bid Deed and Members of the Consortium

As disclosed on 18 December 2023, the Bidder and Consortium Members entered into a Joint Bid Deed dated 18 December 2023. The Consortium Members are Shareholders of the Target and hold Shares in the Target and have a shareholding in the Bidder in the following Respective Proportions:

Consortium Member	Country of incorporation	Shareholding in Target	Percentage shareholding in Target (based on number of issued Shares as at Announcement Date)	Respective Proportion (of shareholding) in Bidder, Goldway Capital Investment Limited
Senosi Group Investment Holdings Proprietary Limited (controlled by Mr Mathew Senosi, Non Independent Director)	South Africa	95,357,455	23.38%	41.23%
Dendocept Proprietary Limited	South Africa	28,265,593	6.93%	6.93%
Jun Liu & Huan Qu as joint trustees for the Golden Eagle Trust	N/A	26,499,345	6.50%	6.50%
Pacific Goal Investment Limited	Hong Kong	24,927,757	6.11%	6.11%
Yi He (Ms Christin He, Non Independent Director)	N/A	8,664,674	2.12%	2.12%
Jun Liu	N/A	6,735,240	1.65%	1.65%
Golden Archer	South Africa	264,845	0.06%	0.06%

Investment (Pty) Ltd				
Shining Capital GP Limited	Hong Kong	35,000,000	8.58%	8.58%
Ying He Yuan Investment (S) Pte Ltd	Singapore	21,413,462	5.25%	5.25%
Longelephant International Trade Limited	Hong Kong	15,162,581	3.72%	3.72%
Eagle Canyon International Group Holding (Hong Kong) Limited	Hong Kong	Nil	Nil	17.85%
TOTAL		262,290,952	64.30% of Shares in the Target as at the Announcement Date	100% of shares in the Bidder

The Bidder and each of the Consortium Members are Associates by reason of their entry into the Joint Bid Deed which provides that the Bidder and Consortium Members will make the Offer in accordance with the terms of the Joint Bid Deed.

The Bidder and Consortium Members had an aggregate Relevant Interest in 64.3% (representing a total of 262,290,952 Shares) of the issued capital and Voting Power of the Target as at the Announcement Date, 2 February 2024. The Bidder's Relevant Interest in the Target arises as a result of the Bidder's and each Consortium Member's entry into the Joint Bid Deed and the respective shareholding of each Consortium Member in the Target.

ASIC Joint Bid Relief Exemption obtained

On 4 January 2024 ASIC granted the Bidder Parties joint bid relief under section 655A(1) of the Corporations Act from section 606 of the Corporations Act to permit the Bidder Parties to acquire Relevant Interests in excess of 20% (**ASIC Joint Bid Relief Exemption**). The grant of the joint bid relief permits the Bidder and Consortium Members to make the Offer and conduct the Offer as a joint bid, subject to the conditions of the ASIC Joint Bid Relief Exemption.

Refer to Section 6.3 of the Target's Statement for a summary of the conditions to the ASIC Joint Bid Relief Exemption.

Refer to Annexure A of the Bidder's Statement for a copy of the ASIC Joint Bid Relief Exemption granted to the Bidder Parties.

Summary of the Joint Bid Deed

In summary, the Joint Bid Deed provides that:

- (a) the Consortium Members have agreed to jointly pursue the Offer (being the acquisition of all of the Target Shares not currently controlled by the Consortium Members of their Associates by way of an off-market takeover bid) in accordance with the terms and conditions of the Joint Bid Deed;
- (b) Christine He and Mathews Senosi (being Non-Independent Directors of the Target) are the representatives for the Bidder who will carry out all negotiations on behalf of the Consortium Members in relation to the Offer;
- (c) the shares in the Bidder are owned by the Consortium Members (or their nominees) in the above-mentioned Respective Proportions;
- (d) if a person who is not a Related Body Corporate or otherwise associated with a Consortium Member makes or varies a takeover bid for the Target's securities (**Other Rival Bid**) and that Other Rival Bid:
 - (A) is an offer to buy all of the securities in the bid class for the Offer (i.e. Shares); and
 - (B) the consideration offered under the bid is more than the value of the consideration offered under the Offer,

the Consortium Members must meet as soon as practicable to discuss and agree on how to respond to the Other Rival Bid.
- (e) until 18 March 2024 (being 3 months after the date of the Joint Bid Deed), no Bidder Party may, without the prior written consent of the other Bidder Parties, accept the Offer, accept any Other Rival Bid or sell, dispose or encumber any Target Shares it holds whether in its personal capacity or as trustee of any trust;
- (f) during the Offer Period and until 18 March 2024 (being 3 months after the date of the Joint Bid Deed), no Bidder Party, each Bidder Party must not, and must procure that its Associates do not, without the prior written consent of the other Bidder Parties, change its Voting Power in any Target Shares from the Voting Power referred to above; and
- (g) except as provided above, the Joint Bid Deed does not confer any control over, or power to substantially influence, the exercise of a voting right attached to any securities in the Target held by any party or their Associates.

The Joint Bid Deed terminates on the earlier of:

- (a) the Business day after withdrawal or termination of the Offer;
- (b) the end of the Offer Period, if the Offer Conditions are not satisfied or waived prior to the end of the Offer Period;
- (c) a party electing to terminate following an event of default (breach or insolvency) by another party to the Joint Bid Deed;

- (d) the implementation of the off-market takeover bid;
- (e) a mutually agreed date between the parties to the Joint Bid Deed; or
- (f) the sunset date, being 12 months after the date of the Joint Bid Deed, or such other date as agreed between the Bidder Parties.

A condition of the ASIC Joint Bid Relief Exemption is that the Bidder Parties must immediately terminate the Joint Bid Deed and all other relevant agreements entered into by any of the Joint Bidders or their respective Associates that affects an Associate or a Bidder Party's Voting Power in the Target and relates to the Offer, if the Offer does not proceed or fails because of a defeating condition that has neither been satisfied or waived (ie, if the Offer lapses).

In this situation, if the Offer lapses, each Consortium Member will retain their Shareholdings in the Target and their individual respective Voting Power in the Target.

8.6. Source of funding of the Offer Price

Section 6 of the Bidder's Statement provides details about the source of funding for the Bidder to pay the Offer Consideration.

Importantly, Target Shareholders who decide to accept the Offer will not be paid the Offer Consideration unless and until the Bidder Parties have acquired a Relevant Interest in 82.19% or more of the issued Shares and the Minimum Acceptance Condition has been satisfied.

The Bidder's Statement discloses that the Bidder has a legally binding and irrevocable debt commitment from Senosi Group Investment Holdings Proprietary Limited (**SGIH**) and Eagle Canyon International Holdings (Hong Kong) Limited (**Eagle Canyon**) to provide an amount of A\$23,295,966.72 (**Maximum Offer Amount**) to the Bidder (**Commitment Letter**).

Key terms of the Commitment Letter are set out below.

(a) **Commitment**

- (i) SGIH and Eagle Canyon has committed to provide cash funding to the Bidder for the Maximum Offer Amount.
- (ii) Under the Commitment Letter:
 - (A) SGIH will contribute an amount of no less than 27% but no more than 50% of the Maximum Offer Amount in cash funding to the Bidder; and
 - (B) Eagle Canyon will contribute an amount of no less than 50% but no more than 73% of the Maximum Offer Amount in cash funding to the Bidder,

provided always that, in aggregate, the full Maximum Offer Amount is made available by SGIH and Eagle Canyon to the Bidder.

(b) Conditions to commitment

The obligation of SGIH and Eagle Canyon under the Commitment Letter are subject to the satisfaction (or waiver by SGIH and Eagle Canyon) of conditions, including:

- (iii) the Target not conducting any form of capital raising (including the issue of any new securities) whilst the off-market takeover bid process is continuing, unless with the written consent of the Consortium Members;
- (iv) the Target not incurring any significant liabilities or change the terms of its debt financing arrangements in any material respect whilst the off-market takeover bid process is continuing, unless with the written consent of the Consortium Members; and
- (v) no convertible securities currently on issue (consisting of 6,122,604 Performance Rights as at the date of this Target's Statement and 8,000,000 Options) vest and are converted into Shares in the Target.

Refer to Section 6 of the Bidder's Statement for further particulars. The Independent Board Committee are not aware of any further details of the Commitment Letter, including whether there is a specified term, any termination rights or an ability for the Maximum Offer Amount to be varied and increased.

8.7. Publicly available information about the Bidder

As the Bidder is not a publicly listed entity, there is no publicly available information about the Bidder.

Under the Corporations Act, the Bidder Parties will be required to lodge any changes in substantial holdings as a result of any changes in their Relevant Interests.

8.8. Further information about the Bidder

Section 8 of the Bidder's Statement provides further information on the Bidder and the Bidder's intentions depending on whether the Bidder satisfies the Minimum Acceptance Condition or acquires 90% or more of the Shares.

9. Risk Factors

9.1. Introduction

In considering the Offer, Target Shareholders should be aware that there are a number of risk factors associated with either accepting the Offer or rejecting the Offer and continuing to hold Target Shares.

In deciding whether to accept or reject the Offer, Target Shareholders should read this Target's Statement and the Bidder's Statement carefully. While some of these risks can be mitigated, some are outside the control of the Target and cannot be mitigated.

The risks set out in this Section 9 do not take into account the individual investment objectives, financial situation, position or particular needs of Target Shareholders.

The risk factors set out in this section are not an exhaustive list of all risks. In addition, these risks are general in nature only and do not cover every risk that may be associated with an investment in the Target now or in the future.

In addition to these general risks, there are specific risks / issues affecting the Target which were disclosed in the Target's 2023 Annual Report and which are updated in Section 9.3 below.

There may also be additional risks and uncertainties not currently known to the Target, or which are currently known to the Target but which the Target currently considers to be individually immaterial, which may adversely affect the Target's operating and financial performance and the price or value of Target Shares in the future.

9.2. Risks specific to minority ownership – where the Minimum Acceptance Condition is satisfied and the Target is controlled by the Bidder

If the Bidder acquires acceptances which, together with its existing Relevant Interests through the Consortium Members, give the Bidder at least 82.19% but less than 100% of the Target Shares then, assuming all other Conditions are fulfilled or waived, the Bidder will acquire a majority shareholding in the Target that is capable of passing special resolutions and applying to delist the Target from the ASX.

In such circumstances, Target Shareholders who do not accept the Offer will become minority shareholders in the Target. This has a number of possible implications, including:

(a) **The Bidder is in a position to cast the majority of votes at a general meeting of the Target**

The Bidder, through the Consortium Members holding in aggregate 64.3% of the Shares, is currently in a position to cast the votes required to determine the outcome of an ordinary resolution (in respect of which the Bidder Parties are entitled to vote). Where the Offer is successful, this will enable the Bidder Parties, subject to compliance with law and the constitution of the Target, to control the composition of the Target's board of directors and senior management, control the strategic direction of the business of the Target and make determinations in relation to the assets, operations, future funding, employment of senior management and staff, the issue of securities and the treatment of Performance Rights and Options.

(b) **If the Bidder achieves the Minimum Acceptance Condition and therefore acquires 75% or more, it will be able to pass special resolutions**

If the Bidder achieves the Minimum Acceptance Condition (ie. the Bidder Parties acquire in aggregate Relevant Interests of 82.19% or more) and therefore acquires 75% or more of the Target Shares the Bidder Parties will be able to pass or block a special resolution of the Target (in respect of which the Bidder Parties are entitled to vote). This will enable the Bidder Parties to, among other things:

- change the Target's constitution;
- make changes to the Target's share capital and/or any rights attaching to Shares; and
- approve a winding up of the Target or the appointment of any liquidator or the sanctioning of any actions of a liquidator, or any arrangement to be entered into between the Target and its creditors.

(c) **The Target's Share price may fall immediately following the end of the Offer Period**

Absent the Offer (and if no superior proposal emerges), the market price of the Target may fall. Minority shareholders will be left holding a minority investment in the Target and Target Shares may trade at a price reflective of a minority discount with the potential for little to no liquidity available to facilitate trading.

(d) **The Target may be delisted**

If the Bidder achieves the Minimum Acceptance Condition (i.e. the Bidder Parties acquire in aggregate Relevant Interests of 82.19% or more) it will be able to act upon its intentions to delist the Target from the ASX, AIM and JSE.

The Bidder has stated in its Bidder's Statement that if the Offer is successful it both (i) intends to delist the Target (Letter to the Shareholders) and (ii) also that it intends to seek to replace some of the members of the Target Board and *may* propose that the Target Board apply to terminate the official quotation of the Target Shares on the ASX and arrange for the Target to be removed from the Official list of ASX, JSE and AIM (Section 8.2 of the Bidder's Statement).

Refer to Section 6.13 of this Target's Statement for further details about the legal and regulatory conditions and requirements that would need to be satisfied for any delisting from ASX, AIM or JSE.

If the Target is removed from the official list of the ASX, AIM and JSE, Target Shares will not be able to be bought or sold on the ASX, AIM and JSE and Target Shareholders will become minority shareholders in an unlisted company controlled by the Bidder Parties with no immediate exit mechanism for their investment other than an off-market sale of their Target Shares. Target Shareholders will also be a minority shareholder in an unlisted company which will require additional funding in the near term but which company will have no ability to access equity capital markets via the public exchanges of ASX, AIM or JSE.

If the Target is delisted from the Official List of the ASX and the JSE and the admission to trading on AIM of the Target Shares is cancelled, the Target

Shareholders would no longer be afforded the protections currently provided by virtue of the respective stock exchanges' rules, including with regard to the corporate governance standards of the Target and related party transactions.

Refer to Section 6.13 of this Target's Statement for details regarding the Bidder's intentions regarding delisting the Target and disadvantages to Target Shareholders on delisting.

(e) **If the Bidder acquires 90% or more, it may be entitled to compulsory acquisition**

If the Minimum Acceptance Condition is satisfied (ie. the Bidder Parties have acquired Relevant Interests in at least 82.19% of the issued Shares, including their combined Relevant Interest of 64.3%) and after the end of the Offer Period, the Bidder subsequently acquires a Relevant Interest in 90% or more of all Target Shares and the compulsory acquisition provisions of the Corporations Act are satisfied, the Bidder will be entitled to compulsorily acquire the Target Shares that it does not already own. In Section 8.2 of the Bidder's Statement, the Bidder has stated that it may proceed with compulsory acquisition of all remaining Target Shares. If you choose not to accept the Offer and the Bidder subsequently exercises compulsory acquisition rights, you are likely to be paid the Offer Consideration later than other Target Shareholders who accept the Offer and approximately five to six weeks after the compulsory acquisition notices are dispatched. Refer to Section 6.12 of this Target's Statement for details on the compulsory acquisition provisions of the Corporations Act.

9.3. Risks associated with rejecting the Offer and continuing as a Target Shareholder

There are various risks associated with continuing to hold Target Shares. Some of these risks are specific to the Target while others are risks of a more general nature that apply to any investment in a listed company.

(a) **Financing risk**

Financing the Target's planned exploration, development and future production activities for the Makhado Project and Vele Colliery will require in the short to mid-term future substantial expenditure. There can be no assurance that any future equity or debt funding that the Target may require will be available to the Target on acceptable terms, or at all.

Any future equity capital raising may result in the dilution of Shareholders to the extent that a Shareholder does not participate, if the raising is conducted as a pro rata rights issue, or if the capital raising is through a placement to a new investor.

The Target Board also makes no assurances as to whether the Consortium Members, if the Offer is not successful or lapses, would participate in any future capital raising.

Uncertainty regarding, or failure to manage the Target's funding requirements, would have a material adverse effect on the solvency, financial position, scope of operations and reputation of the Target.

(b) Resource estimate risk

The accuracy of the Target's mineral resources and ore reserves estimates are based on a number of assumptions which are made in accordance with applicable regulatory and mineral reporting code requirements. There can be no assurance that its mineral resources and ore resources will be recovered in the quantities, qualities or yields expected. Mineral resources and ore reserves estimates are inherently subject to variability. They involve expressions of judgment with regard to the presence and quality of mineralisation and the ability to extract and process the mineralisation economically. These judgments are based on a variety of factors, such as knowledge, experience and industry practice. The accuracy of these estimates may be affected by many factors, including the quality of the results of drilling and sampling of the mineral deposits and analysis of the mineral samples and the procedures adopted and experience of the person(s) making the estimates.

(c) Coal price risk

The Target's revenues and cash flows are based on the mining and sale of coal. The price of coal as a commodity is affected by numerous factors beyond the Target's control. Coal prices are affected by numerous factors, including world GDP growth, international economic conditions, economic and political conditions of commodity producing and commodity consuming countries, expectations of inflation, currency exchange rates and interest rates.

(d) Future development risks

The future development of the Target's Makhado and GSP projects is dependent on a number of factors including, but not limited to, litigation risk, securing of the required funding and if necessary, further regulatory approvals. There can be no guarantee that the development will be completed on time or within budget.

(e) Litigation risks

The Target is exposed to litigation risks, including tenure and licence disputes, land access disputes, environmental claims, occupational health and safety claims and employee claims. While the Target is involved in litigation and disputes in the course of its operations, any involvement in material litigation, disputes or regulatory proceedings in the future may be costly and could have a material adverse impact on the Target's operations, asset, financial performance and financial position.

(f) Key personnel risk and labour risks

The Target's future operating results depend in significant part upon the continued contribution of its Board, key management personnel, technical, financial and operations personnel. There can be no assurance given that there will be no short-term detrimental impact on the Target if one or more of these key employees cease their employment or if one or more Target Directors leave the Target Board.

The Target's success is dependent on the ability of its Board and management to develop and operate the Target's project assets. Failure to manage its development and funding effectively could have a material adverse effect on its business, financial condition and results of operations.

In addition, the Target faces the risk of employment or labour-related claims in the ordinary course of its operations and in the future. There can also be no assurance that the Target's operations or those of its contractors will not be affected by labour related problems and disputes in the future.

(g) **Maturities of financial liabilities and creditor risk**

The Target has debt liabilities owing to third parties, including the IDC, which is not repaid by the maturity date, or further extensions to repayment are not secured, could result in the target being in default and subject to recovery action by the lender parties. An unremedied default of the IDC loan allows the debt to be convertible into equity in the Target or the Makhado Project. Any such debt to equity conversions in the Target would result in the dilution of existing Shareholders.

(h) **Share Price risk generally**

If the Offer lapses, Shares may trade at a price below the current market price of Shares and the Offer Price. The Directors are not in a position to speculate on the future trading price of Shares if the Offer lapses, or to guarantee any particular share price. The future price of Shares is dependent not only on the Target's performance, but also on external market and other factors outside the Target's control. Accordingly, there is a significant risk that the Target's Shares will trade at a price significantly below the Offer Price.

These risks are not an exhaustive list of risks which are associated with holding Shares in the Target. Shareholders should refer to the risks outlined in the Target's 2023 Annual Report relating to the operations and financial instruments of the Target.

9.4. Risks associated with accepting the Offer

(a) **Possibility of a superior proposal emerging**

The Independent Board Committee can give no assurance that a superior proposal or competing offer may emerge during the Offer Period.

The conditions of the ASIC Joint Bid Relief Exemption granted to the Bidder to conduct the joint bid with the Consortium Members contains specific conditions relating to if a rival takeover offer bid offering more than 105% of the value of the Offer Consideration is made before the end of the Offer Period.

If a Rival Bid emerges and the Offer Price is matched or increased by the Bidder under the Matching or Higher Offer requirement of the ASIC Joint Bid Relief Exemption, then a Target Shareholder who accepted the Offer will be entitled to receive the increased Offer Price from the Bidder.

If you accept the Offer, a Rival Bid emerges before the end of the Offer Period, but the Bidder has achieved the Minimum Acceptance Condition and the Bidder does not match or increase its Offer Price, then the Bidder Parties are required to accept into the Rival Bid in respect of the Target Shares in which the Joint Bidders have a Relevant Interest by that time. Once the Offer becomes unconditional, the Bidder acquires a Relevant Interest in Target Shares accepted once legal title in those Shares passes under the takeovers contract. In this scenario, where you have accepted into the Offer and the Offer is declared unconditional you would not get to benefit and participate in the Rival Bid unless withdrawal rights were available under the Corporations Act. It is unlikely that

any Rival Bid would be made if the Bidder has achieved the Minimum Acceptance Condition.

If a superior proposal emerges which is not a Rival Bid and the Bidder has not achieved the Minimum Acceptance Condition, then:

- (i) if you have not accepted the Offer; or
- (ii) if you have accepted, but the Offer lapses because the Minimum Acceptance Condition is not achieved before the close of the Offer Period,

you will be able to accept any superior proposal that may be made and obtain any potential benefit associated with any such superior proposal.

(b) Possible appreciation of your Target Shares

You may be able to sell your Target Shares in the future for more valuable consideration than the Offer Consideration (although the Independent Board Committee can give no assurances and make no forecast of whether this will occur).

(c) Risks associated with currency and conversion for Foreign Shareholders accepting the Offer

(i) Shareholders on the Target South African Register

For Target Shareholders who hold shares on the Target South African Register, the Offer Consideration will be settled in ZAR. The Australian cash consideration will be converted into ZAR based on the spot A\$/ZAR rate on the currency conversion date, as announced on SENS. This means that the value of the Offer Consideration will be affected by the prevailing market exchange rate at the currency conversion date. Accordingly, there is risk that:

- (A) there may be a significant shift in the exchange rate between the date of the Bidder's Statement and the currency conversion date, potentially affecting the Offer Price in ZAR terms; and
- (B) there may be a significant shift in the exchange rate, between the currency conversion date and the date on which a Target Shareholder accepts the Offer.

(ii) Shareholders on the Target United Kingdom Register

For Target Shareholders who hold shares on the Target United Kingdom Register in an uncertificated form (in CREST), the Offer Consideration will be settled in Pounds Sterling. The Offer Consideration will be converted into Pounds Sterling based on the spot A\$/£ rate on the date on which the consideration is paid.

This means that the value of the Offer Consideration will be affected by the prevailing market exchange rate at the time of payment. Accordingly, there is risk that:

- (A) the exchange rate prevailing on the day of accepting the Offer may differ from the rate at the time of payment;
- (B) there may be a significant shift in the exchange rate, which may affect the value of the Offer Price in Pounds Sterling terms; and
- (C) different Target Shareholders on the Target United Kingdom Register who accept the Offer at different times may receive different Offer Consideration amounts because the timing of payment of Offer Consideration may differ depending on when the Offer is accepted.

(d) **Taxation consequences of accepting the Offer**

The taxation consequences of disposing of your Target Shares pursuant to the Offer depend on a number of factors and your particular circumstances, including whether you hold Target Shares as an Australian resident shareholder or as a foreign shareholder. A general outline of certain Australian, South African and United Kingdom tax considerations of such a disposal is set out in Section 11 of this Target's Statement. Sections 9 to 11 of the Bidder's Statement set out an outline of Australian, South African and United Kingdom general taxation considerations in connection with the Offer.

You should seek your own specific professional tax advice as to the taxation implications applicable to your individual circumstances.

10. Additional Information

10.1. Information included in this Target's Statement

This Target's Statement is required to include all information that the Target Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer, but:

- (a) only to the extent to which it is reasonable for Target Shareholders and their professional advisers to expect to find this information in this Target's Statement; and
- (b) only if the information is known to any Independent Director.

The Independent Directors are of the opinion that the information that Target Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer is:

- (a) the information contained in the Bidder's Statement (to the extent that the information is not inconsistent with or superseded by information in this Target's Statement);
- (b) the information contained in the Target's announcements to the ASX, and in the documents lodged by the Target with ASIC before the date of this Target's Statement; and
- (c) the information contained in this Target's Statement.

The Independent Directors have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Statement is accurate (unless they have expressly indicated otherwise in this Target's Statement).

However, the Independent Directors do not take any responsibility for the contents of the Bidder's Statement (and First Supplementary Bidder's Statement) and are not to be taken as endorsing, in any way, any or all of the statements contained in the Bidder's Statement (and First Supplementary Bidder's Statement lodged by the Bidder).

In deciding what information should be included in this Target's Statement, the Independent Board Committee has had regard to:

- (a) the nature of the Target Shares and the nature of the existing Target business;
- (b) the matters that Target Shareholders may reasonably be expected to know;
- (c) the fact that certain matters may reasonably be expected to be known to Target Shareholders' professional advisers; and
- (d) the time available to the Target (and the Independent Board Committee) to prepare this Target's Statement.

10.2. Independent Expert's Report will accompany the Supplementary Target's Statement

This Target's Statement does not contain the Independent Expert's Report

Section 640(1)(a) of the Corporations Act provides that if the bidder's Voting Power in the target is 30% or more, a target's statement must include, or be accompanied by a report by an expert that states whether, in the expert's opinion, the takeover offer is fair and reasonable and give reasons for forming that opinion.

The Independent Directors commissioned BDO as the Independent Expert to prepare the Independent Expert's Report. SRK has been appointed as the Technical Mining Expert for the Independent Expert, BDO.

Further, a condition of the ASIC Joint Bid Relief Exemption granted to the Bidder Parties is that the Bidder Parties use their best endeavours to have the Target engage an independent expert to prepare a report on whether, in the expert's opinion, the Offer is fair and reasonable to Target Shareholders not associated with the Bidder Parties.

As at the date of this Target's Statement, the Independent Expert's Report has not yet been completed by the Independent Expert nor provided to the Independent Board Committee.

The Independent Expert's Report and opinion of the Independent Expert will be included in the Supplementary Target's Statement to be lodged by the Target on or around 18 March 2024 and sent to the Bidder and Target Shareholders.

10.3. Disclosure of adviser interests

No adviser of the Target has a legal or beneficial interest in any Target Shares or other securities as at the date of this Target's Statement.

10.4. Consents

As permitted by *ASIC Corporations (Consents to Statements) Instrument 2016/72 (Instrument)*, this Target's Statement may include or be accompanied by certain statements that:

- (a) fairly represent what purports to be a statement by an official person;
- (b) are a correct and fair copy of, or extract from, what purports to be a public official document; or
- (c) are a correct and fair copy of, or extract from, a statement which has already been published in a book, journal or comparable publication.

This Target's Statement also contains the Target Share price trading and financial data sourced from the ASX website, Reuters and S&P Capital IQ, S&P Global without their consent.

Pursuant to this Instrument, the consent of such persons to whom statements are attributed is not required for the inclusion of those statements in this Target's Statement.

10.5. Consents to be named

- (a) K&L Gates LLP (**K&L Gates**) has given and has not withdrawn its consent to be named in this Target's Statement as Australian Solicitors to the Target in the form and context in which it is so named. K&L Gates has not caused or authorised the issue of this Target's Statement and K&L Gates does not make, nor purport to make, any statement included in this Target's Statement. No statement in this Target's Statement is based on any statement by K&L Gates. To the maximum extent permitted by law, K&L Gates expressly disclaims and takes no responsibility for any part of this Target's Statement other than the references to its name.
- (b) Falcon & Hume Attorneys Inc. (**Falcon & Hume**) has given and has not withdrawn its consent to be named in this Target's Statement as South African Legal Adviser to the Target in the form and context in which it is so named. Falcon & Hume has not caused or authorised the issue of this Target's Statement and. Falcon & Hume does not make, nor purport to make, any statement included in this Target's Statement. No statement in this Target's Statement is based on any statement by Falcon & Hume. To the maximum extent permitted by law, Falcon & Hume expressly disclaims and takes no responsibility for any part of this Target's Statement other than the references to its name.
- (c) Adelaide Equity Partners Limited (**Adelaide Equity**) has given and has not withdrawn its consent to be named in this Target's Statement as Financial Adviser to the Target in the form and context in which it is so named. Adelaide Equity has not caused or authorised the issue of this Target's Statement and Adelaide Equity does not make, nor purport to make, any statement included in this Target's Statement. No statement in this Target's Statement is based on any statement by Adelaide Equity. To the maximum extent permitted by law, Adelaide Equity expressly disclaims and takes no responsibility for any part of this Target's Statement other than the references to its name.
- (d) BSM Sponsors Proprietary Limited (**BSM**) has given and has not withdrawn its consent to be named in this Target's Statement as JSE Equity Sponsor to the Target in the form and context in which it is so named. BSM has not caused or authorised the issue of this Target's Statement and BSM does not make, nor purport to make, any statement included in this Target's Statement. No statement in this Target's Statement is based on any statement by BSM. To the maximum extent permitted by law, BSM expressly disclaims and takes no responsibility for any part of this Target's Statement other than the references to its name.
- (e) Computershare Investor Services Pty Limited has given and has not withdrawn its consent to be named in this Target's Statement as the Target's Australian Share Registry in the form and context in which it is so named. Computershare Investor Services Pty Limited has not caused or authorised the issue of this Target's Statement and Computershare Investor Services Pty Limited does not make, nor purport to make, any statement included in this Target's Statement. No statement in this Target's Statement is based on any statement by Computershare Investor Services Pty Limited. To the maximum extent permitted by law, Computershare Investor Services Pty Limited expressly disclaims and takes no responsibility for any part of this Target's Statement other than the references to its name.

- (f) BDO Corporate Finance (WA) Pty Ltd ACN 124 031 045 (**BDO**) has given and has not withdrawn its consent to being named in this Target's Statement as the Independent Expert in the form and context in which it is so named. BDO has not caused or authorised the issue of this Target's Statement and BDO does not make, nor purport to make, any statement included in this Target's Statement. No statement in this Target's Statement is based on any statement by BDO. To the maximum extent permitted by law, BDO expressly disclaims and takes no responsibility for any part of this Target's Statement other than a reference to its name.
- (g) SRK Consulting (Australasia) Pty Ltd ACN 074 271 720 (**SRK**) has given and has not withdrawn its consent to being named in this Target's Statement as the Technical Mining Expert for the Independent Expert, BDO in the form and context in which it is so named. SRK has not caused or authorised the issue of this Target's Statement and SRK does not make, nor purport to make, any statement included in this Target's Statement. No statement in this Target's Statement is based on any statement by SRK. To the maximum extent permitted by law, SRK expressly disclaims and takes no responsibility for any part of this Target's Statement other than a reference to its name.

11. Taxation

11.1. Australian Tax Considerations

The following is a general description of the Australian income tax and GST consequences for Target Shareholders who accept the Offer in respect of some or all of their Target Shares. It is general in nature and is not intended to constitute tax advice to Target Shareholders. Accordingly, each Target Shareholder should seek independent professional advice in relation to their own particular circumstances.

The Australian tax considerations relating to the acceptance of the Offer are also set out in Section 9 of the Bidder's Statement and should be read in addition to the considerations set out below.

The information below deals only with the taxation implications for Target Shareholders who hold their Target Shares on capital account for Australian income tax purposes. It does not address the taxation implications for Target Shareholders who:

- hold their Target Shares for the purposes of speculation or a business of dealing in securities (e.g. as trading stock) or who otherwise hold their Target Shares on revenue account;
- have made any of the tax timing method elections pursuant to the taxation of financial arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) (**ITAA 1997**) in relation to gains and losses on their Target Shares;
- acquired their Target Shares prior to 20 September 1985, or are treated as having acquired their Target Shares prior to 20 September 1985 under the *Income Tax Assessment Act 1936* (Cth) (**ITAA 1936**) or ITAA 1997 and are not otherwise treated as having acquired their Target Shares on or after that date under ITAA 1936 or ITAA 1997;
- are subject to special taxation rules (such as insurance companies and tax exempt organisations); or
- acquired their Target Shares pursuant to an employee share, option or incentive plan.

Target Shareholders who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes), United Kingdom and South Africa should take into account the tax consequences under the laws of their country of residence, as well as under Australian law, of accepting the Offer. Refer to Sections 11.4 and 11.5 of this Target's Statement below for general taxation consequences if you are a tax resident in the United Kingdom or South Africa.

The information contained in Sections 11.2 and 11.3 is based on Australian law and administrative practice in effect at the date of this Target's Statement.

11.2. Australian resident shareholders

(a) Target Shareholders who accept the Offer

Acceptance of the Offer will involve the disposal by Target Shareholders of their Target Shares by way of transfer to Bidder. This change in the ownership of the Target Shares will constitute a CGT event for Australian CGT purposes.

The date of disposal for CGT purposes will be the date the contract to dispose of the Target Shares is formed, which is the date of acceptance if you decide to accept the Offer.

(b) Compulsory acquisition

If a Target Shareholder does not dispose of their Target Shares under the Offer and their Target Shares are subsequently compulsorily acquired in accordance with either Part 6A.1 or Part 6A.2 of the Corporations Act, that Target Shareholder will also be treated as having disposed of their Target Shares for CGT purposes.

The date of disposal for CGT purposes will be the date when Bidder becomes the owner of the Target Shares (or, if earlier, the date compensation is received from Bidder).

(c) Calculation of capital gain or capital loss

Target Shareholders will make a capital gain to the extent that their capital proceeds from the disposal of the Target Shares are more than the cost base of those Target Shares. Conversely, Target Shareholders will make a capital loss to the extent that their capital proceeds are less than their reduced cost base of those Target Shares.

The cost base of the Target Shares generally includes the cost of acquisition and certain non-deductible incidental costs of their acquisition and disposal.

The capital proceeds of the CGT event will equal the consideration price of A\$0.16 cash per Target Share received by the Target Shareholder in respect of the disposal of their Target Shares.

Individuals, complying superannuation entities or trustees that have held their Target Shares for at least 12 months should (subject to the comments below in relation to indexation for pre-21 September 1999 shares) be entitled to discount the amount of the capital gain (after application of capital losses) from the disposal of Target Shares by 50% in the case of individuals and trusts or by 33^{1/3}% for complying superannuation entities. For trusts, the ultimate availability of the discount may depend on a beneficiary's entitlement to the discount. Companies are not entitled to discount the amount of the capital gain.

For shares acquired at or before 11.45 am ACT time on 21 September 1999, the shareholder may elect to index the cost base for inflation in calculating a capital gain, rather than applying a CGT discount to the gain.

Capital gains (prior to any CGT discount) and capital losses of a taxpayer in an income year are aggregated to determine whether there is a net capital gain. A taxpayer is entitled to choose which capital gains are set off against capital losses, and so may choose to set off a capital loss against a capital gain that does not qualify for a CGT discount, rather than against a gain that does so qualify. Any net capital gain is included in assessable income and is subject to income tax. Capital losses may not be deducted against other income for income tax purposes, but may be carried forward to offset against future capital gains (subject to satisfaction of loss carry forward tests for certain taxpayers).

11.3. Australian resident shareholders - Goods and services tax

Target Shareholders should not be liable for GST in respect of a disposal of their Target Shares.

Target Shareholders may be charged GST on costs (such as advisor fees) that relate to their participation in the Offer. Target Shareholders may be entitled to input tax credits or reduced input tax credits for such costs, but should seek independent advice in relation to their individual circumstances.

11.4. South African Tax Considerations

The South African tax considerations relating to the acceptance of the Offer are set out in Section 10 of the Bidder's Statement.

The following summary describes certain South African tax consequences relating to the Offer, relevant to the Target Shareholders that are tax resident in South Africa and non-South African resident Target Shareholders with a permanent establishment in South Africa.

This summary is based on the laws in force and as applied in practice in South Africa as at the date of this Target's Statement and is subject to changes to those laws and practices subsequent to such date. In the case of persons who are non-residents of South Africa for income tax purposes, this summary should be read in conjunction with the provisions of any applicable double tax agreement between South Africa and their country of residence. This summary is not intended to be a comprehensive description of all of the tax considerations that may be relevant in respect of the Offer and does not cover tax consequences that depend upon your particular tax circumstances or jurisdictions outside South Africa. This summary is intended as a general guide only and should not be regarded as tax advice. It is recommended that you consult your own tax adviser about the consequences of the Offer in consideration of your specific personal circumstances.

CAPITAL GAINS TAX

Target Shareholders are required to obtain their own tax advice in calculating the base cost (or tax cost) relating to the Target Shares as the information below is intended to serve merely as a guideline.

The base cost of any share is determined under paragraph 20 of the Eighth Schedule to the Income Tax Act 58 of 1962 (SA) and is generally regarded as the expenditure actually incurred in the acquisition of the shares. This base cost may be increased by the securities transfer tax on original acquisition, as well as the fees of accountants, brokers or legal advisors related to the acquisition or disposal of the shares.

South African resident shareholders

Target Shareholders that are South African tax resident will be treated as having disposed of their Target Shares for proceeds equal to the Offer Consideration received.

Taxable capital gains or losses should be calculated by deducting the amount of the base cost of the Target Shares disposed of to the Bidder from the Offer Consideration received.

Target Shareholders holding their Target Shares as capital assets will be liable for South African capital gains tax up to a maximum of 18% for individuals and special trusts, 21.6% for companies, and 36% for trusts. Where a Target Shareholder is a natural person or special trust, the taxation of any capital gain in their hands will be subject to the annual exclusion from capital gains tax, which is currently R40 000.

Target Shareholders holding Target Shares on revenue account that are liable to South African income tax will be liable to normal tax on the gain at the applicable marginal rate for individuals and trusts (on a scale from 18% to 45%) and a rate of 27% for corporate entities.

Non-South African resident shareholders

Non-South African tax residents are taxed on a source-basis in South Africa. Therefore, non-resident Target Shareholders holding their Target Shares on revenue account are taxed on proceeds that are sourced in South Africa. A non-resident Target Shareholder holding its Target Shares on capital account is, in turn, only subject to capital gains tax if:

- the holding of the Target Shares is effectively connected with a permanent establishment of the non-resident Target Shareholder that is situated in South Africa; or
- the non-resident Target Shareholder holds at least 20% of the Target Shares and at least 80% or more of the market value of the Target Shares, at the time of disposal, is attributable directly or indirectly to immovable property situated in South Africa held on capital account.

Clarification to information contained in Section 10.3(c) of the Bidder's Statement relating to capital gains tax for corporate South African tax residents

Target Shareholders should note that Section 10.3(c) of the Bidder's Statement (page 37) contains general taxation consequence statements in relation to the taxable portions of a capital gain on disposal of any Target Shares for corporate South African tax residents.

This Target Statement clarifies and corrects those statements by noting the following:

- (a) **80%** of the net capital gain is included in taxable income, not '60 per cent of the net capital gain' as stated in section 10.3(c) of the Bidder's Statement. This results in a maximum effective rate of 21.6%, not 21.67% as stated in the Bidder's Statement; and
- (b) to the extent that the gain is distributed as a dividend by a corporate Target Shareholder to a non-corporate recipient shareholder:
 - (i) the **ultimate** Target Shareholder's effective tax rate would take into account the effect of the dividends withholding tax on companies of 20%; and
 - (ii) this would result in an effective tax rate (for capital gains tax purposes) of **37.28%**, not 37.2834% as stated in Section 10.3(c) of the Bidder's Statement.

SECURITIES TRANSFER TAX

Securities transfer tax is imposed in respect of the transfer of listed shares at the rate of 0.25% of the taxable amount of such shares, being the higher of the market value or consideration given for the shares as determined in terms of the South African Securities Transfer Tax Act.

Securities transfer tax will be realised in the hands of the Bidder on the transfer of the Target Shares at a rate of 0.25% on the higher of the market value or the Offer Consideration paid.

11.5. United Kingdom Tax Considerations

The United Kingdom tax considerations relating to the acceptance of the Offer are set out in Section 11 of the Bidder's Statement.

A disposal of the Target Shares by a Target Shareholder who is resident in the United Kingdom for tax purposes may, depending upon the Target Shareholder's circumstances and subject to any available exemption or relief (such as the annual exempt amount for individuals of GBP 6,000 for 2023/2024), give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of capital gains.

For such individual Target Shareholders, any chargeable gain on disposal of their Target Shares will be subject to capital gains tax at 10% to the extent it does not exceed the income tax basic rate band and 20% to the extent that it exceeds the income tax basic rate band (in each case when treated as received on top of any income and other chargeable gains in that tax year and each such rate as applicable in 2023/2024). Individual Target Shareholders will not be able to benefit from any indexation allowance in respect of any disposal of the Target Shares.

For corporate Target Shareholders, any chargeable gain, subject to the availability of any exemptions, reliefs and/or allowable losses, will be subject to corporation tax at the prevailing rate, with the main rate currently being 25% (previously 19%). For UK resident companies with augmented profits below GBP 50,000, a lower rate of 19% is generally applicable. For companies with augmented profits between GBP 50,000 and GBP 250,000, there is a sliding scale of tax rates.

Investments in shares in a company whose shares are quoted on AIM have certain tax benefits for investors, and Shareholders should take their own tax advice as to any impact on these benefits that could result from the completion of the Offer and the delisting of the Target.

No UK stamp duty or stamp duty reserve tax should be payable by Target Shareholders.

12. Glossary and interpretation

12.1. Glossary

\$, A\$ or AUD	means Australian dollar
ACN	means Australian Company Number
AIM	means the AIM market of the London Stock Exchange
AIM Rules	means the AIM Rules for Companies, published by the London Stock Exchange from time to time
Approvals	means: (a) a consent, authority, licence, approval, order, ruling, waiver or exemption which is required by law or by a Public Authority; or (b) in relation to anything which will be fully or partly prohibited or restricted by law if a Public Authority intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry or termination of that period without intervention or action.
Announcement Date	means the date of announcement of the Offer, being Friday, 2 February 2024
ASIC	means the Australian Securities and Investments Commission
ASIC Joint Bid Relief Exemption	means the exemptions and declarations made in the ASIC exemption and declaration dated 4 January 2024 granted to the Bidder Parties
Associate	has the same meaning as "associate" in the Corporations Act and includes a person deemed to be an associate of a designated body (within the meaning of section 12 of the Corporations Act)
ASX	means ASX Limited ABN 98 008 624 691 or the financial market operated by it as the context requires
ASX Listing Rules	means the listing rules of ASX (as amended or varied from time to time)
BDO	means BDO Corporate Finance (WA) Pty Ltd ACN 124 031 045
Bidder	means Goldway Capital Investment Limited CR No. 3294426
Bidder Parties	means the Bidder and each of the Consortium Members

Bidder's Statement	means the document titled Bidder's Statement and dated 2 February 2024 prepared by the Bidder in accordance with Chapter 6 of the Corporations Act
CSDP	means a South African Central Securities Depository Participant
CGT	means capital gains tax
Closing Date	means 7.00pm (Sydney time) / 10.00am (South Africa time) on Friday, 5 April 2024 or such later date to which the Offer is extended in accordance with the Corporations Act.
Completion	means, assuming the Offer is successful, the payment of the Offer Price
Computershare	means: <ul style="list-style-type: none"> (i) in respect of Australia, Computershare Investor Services Pty Limited; and (ii) in respect of South Africa, Computershare Investor Services Proprietary Limited
Conditions or Condition	means the conditions to the Offer set out in Section 13.9 of the Bidder's Statement and Condition means any one of them
Consortium Member	means each of the following members: <ul style="list-style-type: none"> 1. Senosi Group Investment Holdings Proprietary Limited; 2. Dendocept Proprietary Limited; 3. Jun Liu and Huan Qu as joint trustees for the Golden Eagle Trust; 4. Pacific Goal Investment Limited; 5. Yi He; 6. Jun Liu; 7. Golden Archer Investment (Pty) Ltd; 8. Shining Capital GP Limited; 9. Ying He Yuan Investment (S) Pte Ltd; 10. Longelephant International Trade Limited; and 11. Eagle Canyon International Group Holding (Hong Kong) Limited
Corporations Act	means the <i>Corporations Act 2001</i> (Cth) (as modified or varied by ASIC)
CREST	means the system for paperless settlement of trades in securities operated by Euroclear in accordance with CREST Regulations

CREST Regulations	means the Uncertificated Securities Regulations 2001 (SI2001 No. 3755)
Depository	means Computershare Investor Services PLC
Euroclear	means Euroclear UK & International Limited, the operator of CREST
Exchange Control	means the South African foreign exchange regime set out in the Exchange Control Regulations that, amongst other things, regulates the flow of currency out of South Africa and restricts the amount of foreign assets held by South African individuals and companies
Exchange Control Regulations	means the South African Exchange Control Regulations, 1961, as amended, promulgated in terms of section 9 of the South African Currency and Exchanges Act, 9 of 1993, as amended
First Supplementary Bidders' Statement	the first supplementary bidders' statement relating to the Offer prepared by the Bidder dated 15 February 2024
Foreign Shareholder	means a Target Shareholder whose address is in a place outside Australia
GST	means goods and services tax or similar value added tax levied or imposed in Australia under the GST Law or otherwise on a supply
GST Law	has the same meaning as in the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth)
HCC	steelmaking hard coking coal
IBC Observer	means Godfrey Gomwe, the CEO and Managing Director of the Target, an invitee to the IBC
IDC	means the Industrial Development Corporation of South Africa Limited
Independent Directors	means Nhlanhla Nene, Julian Hoskin, Andrew Mifflin and Khomotso Brian Mosehla, and does not include a Non-Independent Director
Independent Board Committee or IBC	means a committee of the Target Board comprising the Independent Directors and established in connection with the Offer
Independent Expert	means BDO
Independent Expert's Report	means the independent expert report being prepared by the Independent Expert and which will be included in the Supplementary Target's Statement
Joint Bid Deed	means the joint bid deed dated 18 December 2023 entered

	between the Bidder and the Consortium Members in respect of making the Offer
JSE	means the Johannesburg Stock Exchange
JSE Rules	means the listing rules of the JSE
LOM	means life of mine
Minimum Acceptance Condition	means the condition to the Offer that the Bidder receives acceptances in respect of at least 50.1% or more of the Target Shares in which the Bidder Parties do not have a Relevant Interest at the commencement date of the Offer
Nominated Adviser	means the nominated adviser of the Target for the purposes of the AIM Rules
Non-Independent Directors	means Mr Ontiretse Mathews Senosi, Ms Yi He (Christine), Mr Zhen Brian He and Mr An Chee Sin
Offer	means the all-cash off-market takeover offer made by the Bidder to acquire all of the Target Shares not owned by the Consortium Members on the terms and subject to the conditions set out in the Bidder's Statement
Offer Consideration	means Target Shareholder's due cash compensation for the sale of their Target Shares to the Bidder
Offer Period	means the period during which the Offer remains open for acceptance by Target Shareholders as specified in Section 13.2 of the Bidder's Statement
Offer Price	means the Offer Consideration offered for the Target Shares under the Offer, being A\$0.16 cash per Target Share
Options	means the options exercisable into ordinary shares under the Target's Rules of Employee Share Option Plan
Performance Right	means a performance right issued under the Target's Performance Rights Plan Rules
Pounds Sterling or GBP	means the lawful currency of the United Kingdom
Public Authority	means any government or any governmental, semi-governmental, statutory or judicial entity or authority, or any minister, department, office or delegate of any government, whether in Australia or elsewhere. It also includes any self-regulatory organisation established under statute and any stock exchange
Register Date	means 7pm (Sydney time) on Monday, 5 February 2024
Registry	means Computershare Investor Services Pty Limited of Level 17, 221 St Georges Terrace, Perth WA 6000, Australia

Related Body Corporate	has the meaning given in section 50 of the Corporations Act
Relevant Interest	has the meaning given to that term in sections 608 and 609 of the Corporations Act
Restricted Jurisdiction	means the United States, Canada, Japan and any other jurisdiction where local laws or regulations may result in significant risk of civil, regulatory or criminal exposure if information concerning the Offer is sent or made available to Target Shareholders in that jurisdiction
Rights	means all accretions, rights or benefits of whatever kind attaching to or arising from Target Shares directly or indirectly, including all dividends or other distributions and all rights to receive any dividends or other distributions, or to receive or subscribe for shares, stock units, notes, bonds, options or other securities, declared, paid or made by the Target or any of its subsidiaries
South African Take-Over Regulations	means the takeover regulations promulgated in terms of sections 120 and 223 of the South African Companies Act, 2008
SRK	means SRK Consulting (Australasia) Pty Ltd ACN 074 271 720, the Technical Mining Expert for the Independent Expert
SSCC	semi-soft-coking coal
Subsidiary	has the meaning given that term in the Corporations Act
Supplementary Target's Statement	means the supplementary target's statement to be lodged by the Target on or around 18 March 2024 and which will include the Independent Expert's Report
Takeover Contract	means a contract that results from the acceptance of the Offer
Target	means MC Mining Limited ACN 008 905 388
Target Australian Register	means the register of members of the Target maintained in accordance with the Corporations Act
Target Board	means the board of directors of the Target
Target Group	means the Target and each Subsidiary
Target Material Adverse Change	<p>means event, change or circumstances occurs, is announced or becomes known to the Bidder where that event change or circumstance (either individually or aggregated with other events, changes or circumstances) has had, or could reasonably be expected to have, a material adverse effect on any of the following:</p> <p>(i) the business, assets, liabilities, financial or trading position, profitability or prospects of the Target and any of its subsidiaries, taken as a whole; or</p>

	<p>(ii) on the status or terms of material arrangements entered into by the Target or any of its subsidiaries; or</p> <p>(iii) the status or terms of any Approvals, licences, tenements or permits issued by any Public Authority to any member of the Target or any of its subsidiaries,</p> <p>including, without limitation, any one or more events, matters, change or circumstances which have had or could reasonably be expected to have any of the following effects, which are taken to constitute a material adverse effect:</p> <p>(iv) diminishing the fair market value of the net assets of the Target by \$5 million or more;</p> <p>(v) any material rights under any of the tenements in which the Target (or management company associated with a joint venture in which the Target has an interest) has an interest, or any contract in which the Target (or management company associated with a joint venture in which the Target has an interest) has an interest, being suspended, revoked, invalidated, varied, terminated, or otherwise coming to an end;</p> <p>(vi) a material restraint on or hindrance to the development, timely completion, feasibility, operation, or profitability of the material projects in which the Target has an interest;</p> <p>(vii) the incurring of any obligations, liabilities, costs or expenses (whether contingent or otherwise), other than capital expenditure, where the quantum (whether individually or when aggregated) exceeds \$5 million, except in the course of business;</p> <p>(viii) any change in any applicable laws or regulations which would result in a material impairment of the costs structure of the Target;</p> <p>(ix) any person announcing, commencing or threatening any litigation against the Target (whether in aggregate or for any single litigation) which may result in a judgement against the Target of more than \$5 million (individually or in aggregate);</p> <p>but does not include any of the following, which are taken not to constitute a material adverse effect:</p> <p>(x) any matter fairly disclosed to the Bidder or their representatives, or to the ASX or otherwise widely known publicly on or before the Announcement Date;</p>
--	---

	<p>(xi) any event, occurrence, circumstance or matter affecting the iron ore or coal mining industries generally;</p> <p>(xii) any change in general economic, financial, currency exchange, securities or commodities market conditions;</p> <p>(xiii) any change in accounting policy required by law.</p>
Target Prescribed Occurrences	<p>means:</p> <p>(i) the Target converts all or any of its shares into a larger or smaller number of shares under section 254H of the Corporations Act;</p> <p>(ii) the Target or a subsidiary of the Target resolves to reduce its share capital in any way;</p> <p>(iii) the Target or a subsidiary of the Target enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;</p> <p>(iv) the Target or a subsidiary of the Target issues shares (other than shares issued as a result of the exercise of Options, or the vesting of Performance Rights, the existence of which had been notified to ASX before the Announcement Date) or grants an option over its shares, or agrees to make such an issue or grant such an option;</p> <p>(v) the Target or a subsidiary of the Target issues, or agrees to issue, convertible notes;</p> <p>(vi) the Target or a subsidiary of the Target disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;</p> <p>(vii) the Target or a subsidiary of the Target grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property;</p> <p>(viii) the Target or a subsidiary of the Target resolves to be wound up;</p> <p>(ix) a liquidator or provisional liquidator of the Target or a subsidiary of the Target is appointed;</p> <p>(x) a court makes an order for the winding up of the Target or a subsidiary of the Target;</p> <p>(xi) an administrator of the Target or a subsidiary of the Target is appointed under section 436A, 436B or 436C of the Corporations Act;</p>

	<p>(xii) the Target or a subsidiary of the Target executes a deed of company arrangement; or</p> <p>(xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of the Target or a subsidiary of the Target.</p>
Target Register	means the Target Australian Register, Target South African Register and Target United Kingdom Register
Target Regulatory Actions	<p>means:</p> <p>(i) any preliminary or final decision, order or decree issued by any Public Authority;</p> <p>(ii) action or investigation is announced, commenced or threatened by any Public Authority;</p> <p>(iii) application made to a Public Authority (other than by the Bidder or their Associates),</p> <p>in consequence of or in connection with the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel for the purpose or in exercise of the powers and discretions conferred on it by the Corporations Act), which:</p> <p>(iv) restrains, prohibits, or impedes or threatens to restrain, prohibit or impeded or may otherwise materially adversely impact upon the making of the Offer, the acquisition of Target Shares under the Offer, the rights of either of the Bidder in their capacity as a shareholder of the Target, or the completion of any transaction contemplated by the Offer or the Bidder's Statement (including any transaction contemplated by the Joint Bid Deed); or</p> <p>(v) seeks to require the divesture of any Target Shares by the Bidder; or</p> <p>(vi) seeks to require the divesture of any material assets by any Target Group entity; or</p> <p>(vii) imposes any new terms on, amends the existing terms of or otherwise materially affects the rights held by the Target as at the Announcement Date under any Approval licence, tenement or permit issued by any Public Authority to the Target.</p>
Target Share	means a fully paid ordinary share in the Target
Target Shareholder	means a registered holder of Target Shares
Target South African Register	means that part of the Target's register of Target Shareholders kept and maintained on behalf of the Target by Computershare in South Africa

Target's Statement	means this Target's Statement dated 4 March 2024
Target United Kingdom Register	means that part of the Target's register of Target Shareholders kept and maintained on behalf of the Target by Computershare in the United Kingdom
UK	means the United Kingdom
UK Depositary Interests	means the interests representing Ordinary Shares in the United Kingdom issued through the Depositary
UK Receiving Agent	means the receiving agent appointed by the Bidder for the purposes of enabling the acceptance and settlement of the Offer for the Target Shareholders on the Target United Kingdom Register
UK Takeover Code	means the United Kingdom City Code on Takeovers and Mergers
US\$	means US dollars, the official currency of the United States of America
Voting Power	has the meaning given in section 610 of the Corporations Act
VWAP	means volume weighted average price of shares traded on the ASX
ZAR/R	means South African Rand, the official currency of South Africa

12.2. Interpretation


- (a) Words and phrases to which a meaning is given by the Corporations Act have that meaning in this Target's Statement unless that meaning is inconsistent with the context in which the word or phrase is used.
- (a) Headings are for convenience only and do not affect the interpretation of this Target's Statement.
- (b) The singular includes the plural and vice versa and words importing any gender include the other gender, and references to persons include corporations, other bodies corporate, unincorporated bodies, partnerships, joint ventures or associations.
- (c) References to sections are to sections of this Target's Statement, unless otherwise stated.
- (d) Where a term is defined, its other grammatical forms have a corresponding meaning.
- (e) References to time are references to the time in Sydney, Australia on the relevant date, unless otherwise stated.
- (f) A reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them.

- (g) "\$" or "A\$" or "AUD" is a reference to the lawful currency of Australia.

DATE AND APPROVAL OF THIS TARGET'S STATEMENT

This Target's Statement is dated 4 March 2024, which is also the date it was lodged with ASIC and provided to ASX.

This Target's Statement was approved by a unanimous resolution of the Independent Directors comprising the Independent Board Committee.

Signed for and on behalf of the TargetA handwritten signature in black ink, appearing to read 'K Mosehla', is written over a horizontal line.

Mr Khomotso Mosehla
Chair of the Independent Board Committee and Non-Executive
Director MC Mining Limited

Corporate Directory

<p>Registered Office & Website</p> <p>MC Mining Limited www.mcmining.co.za</p> <p><u>Australia</u></p> <p>Suite 8, 7 The Esplanade Mt Pleasant, WA 6153</p> <p>Telephone: +61 8 9316 9100 Facsimile: + 61 8 9315 5475 Email: perth@mcmining.co.za</p> <p><u>South Africa</u></p> <p>Ground Floor, Greystone Building Fourways Golf Park, Roos Street Fourways 2191</p>	<p>Directors</p> <p>Mr Khomotso Mosehla (Chair and member of IBC) Mr Nhlanhla Nene (member of IBC) Mr Ontiretse Senosi (Non Independent Director) Mr Godfrey Gomwe (CEO, MD and observer on IBC) Mr An Chee Sin (Non Independent Director) Mr Andrew Mifflin (member of IBC) Mr Julian Hoskin (member of IBC) Mr Zhen Brian He (Non Independent Director) Ms Yi He (Christine He) (Non Independent Director)</p> <p>Company Secretary</p> <p>Mr Tony Bevan Telephone: +61 8 9316 9100 Email: tony@endeavourcorp.com.au</p>
<p>Australian Solicitors</p> <p>K&L Gates LLP</p> <p>Level 31, 1 O'Connell Street Sydney NSW 2000 Australia</p> <p>Website: www.klgates.com</p> <p>South African Legal Adviser</p> <p>Falcon & Hume Attorneys Inc.</p> <p>8 Melville Road Johannesburg 2196 South Africa</p>	<p>Financial Adviser</p> <p>Adelaide Equity Partners Limited ABN 59 119 059 559 AFSL 313143</p> <p>Ground Floor, 70 Hindmarsh Square Adelaide SA 5000 Australia</p> <p>Website: https://aeadvisors.com.au/</p> <p>JSE Equity Sponsor</p> <p>BSM Sponsors Proprietary Limited 22 Kildoon Road Bryanston 2191 South Africa</p>
<p>Australian Share Registry</p> <p>Computershare Investor Services Pty Limited</p> <p>Level 17, 221 St Georges Terrace, Perth WA 6000 Australia</p> <p>Telephone: 1300 850 505</p>	