



MC Mining Limited

Previously Coal of Africa Limited
(Incorporated and registered in Australia)
Registration number ABN 008 905 388
ISIN AU000000MCM9
JSE share code: MCZ
ASX/AIM code: MCM

ANNOUNCEMENT

4 September 2020

FURTHER ENCOURAGING SUPPORT FOR MC MINING

MC Mining Limited ("**MC Mining**" or the "**Company**") is pleased to announce the conclusion of a Subscription Agreement (the "**Agreement**") with Columbia Skies Holdings Proprietary Limited ("**CSH**"). CSH is wholly-owned by Mr Pitso Madibo, a black industrialist, and the Agreement will result in CSH subscribing for 7,831,785 ordinary MC Mining shares (the "**CSH Shares**"). The Agreement is conditional upon South African Reserve Bank approval, an administrative process, and is anticipated during September 2020.

The CSH Shares will be allotted in terms of the Company's ASX approved capacity and subject to Reserve Bank approval, will be issued at a 10% discount to the 30-day JSE VWAP to 1 September 2020, being R1.27/share. The issue of the CSH Shares will raise approximately R10.0 million (\$0.6 million*) for MC Mining and will result in CSH having a 4.8% interest in the Company. These funds will be used for general working capital requirements as well as progressing the Company's flagship Makhado hard coking coal project ("**Makhado Project**" or "**Makhado**").

Application will be made for the admission of the 7,831,785 new ordinary shares to trading on AIM, the ASX and the JSE and an announcement will be made in due course. Following admission of the New Equity, the Company will have 162,251,340 ordinary shares in issue. This figure can be used as the denominator for calculations by which shareholders determine if they are required to notify their interest in, or a change to their interest in the Company, under the ASX Listing Rules or the DTRs.

Brenda Berlin, MC Mining's Acting CEO, commented: "MC Mining previously secured a R245 million (\$14.8 million) loan from the Industrial Development Corporation of South Africa Limited, a critical

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Chairman Bernard R. Pryor **Acting CEO** Brenda Berlin

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

component in the Makhado Phase 1 debt/equity funding structure. We have made significant progress subsequent to the lifting of the COVID-19 lockdown and are in discussions with various potential funders for the balance of the Phase 1 funding. The investment by CSH ensures we have the necessary resources to be able to complete the composite funding package, anticipated to be by the end of CY2020, as well as providing working capital for the initial period of construction in H1 CY2021.”

Brenda Berlin

Acting Chief Executive Officer

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

This announcement is inside information for the purposes of Article 7 of Regulation 596/2014.

* All figures are in South African rand or United States dollars unless otherwise stated.

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Investec Bank Limited is the nominated JSE Sponsor

About MC Mining Limited:

MC Mining is an AIM/ASX/JSE-listed coal exploration, development and mining company operating in South Africa. MC Mining’s key projects include the Uitkomst Colliery (metallurgical coal), Makhado Project (hard coking coal). Vele Colliery (semi-soft coking coal), and the Greater Soutpansberg Projects (coking and thermal coal).

Forward-looking statements

This Announcement, including information included or incorporated by reference in this Announcement, may contain "forward-looking statements" concerning MC Mining that are subject to risks and uncertainties. Generally, the words "will", "may", "should", "continue", "believes", "expects", "intends", "anticipates" or similar expressions identify forward-looking statements. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond MC Mining’s ability to control or estimate precisely, such as future market conditions, changes in regulatory environment and the behaviour of other market participants. MC Mining cannot give any assurance that such forward-looking statements will prove to have been correct. The reader is cautioned not to place undue reliance on these forward-looking

statements. MC Mining assumes no obligation and does not undertake any obligation to update or revise publicly any of the forward-looking statements set out herein, whether as a result of new information, future events or otherwise, except to the extent legally required.