



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

22 October 2020

DEFAULT ON SUBSCRIPTION AGREEMENT

MC Mining Limited ("**MC Mining**" or the "**Company**") on 4 September 2020 announced the conclusion of a Subscription Agreement (the "**Agreement**") with Columbia Skies Holdings Proprietary Limited ("**CSH**"), which is wholly-owned by Mr. Pitso Madibo, a South African industrialist. The Agreement provided for CSH to subscribe for 7,831,785 ordinary MC Mining shares (the "**CSH Shares**"), conditional only upon South African Reserve Bank ("**SARB**") approval. SARB approval was duly received and Mr. Madibo was notified in accordance with the terms of the Agreement.

MC Mining regrets to report that CSH has not paid the subscription price of approximately R10 million (\$0.6 million) for the CSH Shares as provided for in the Agreement. Both CSH and Mr. Madibo were issued with a material default notice but did not remedy the default within the prescribed period.

The Company continues its discussions with various potential funders in respect of the balance of the financing required for the development of Phase 1 of its flagship Makhado hard coking coal project and general working capital requirements. A further announcement will be made in due course.

Brenda Berlin, MC Mining's Acting CEO, commented: "MC Mining is very disappointed that Mr. Madibo and his company have defaulted on the Agreement. We have taken legal advice in this regard and have reserved all our rights to enforce due performance by CSH and Mr. Madibo personally."

Brenda Berlin

Acting Chief Executive Officer

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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

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

This announcement contains 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.

For more information contact:

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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).