



ANNOUNCEMENT

5 November 2019

GENERAAL MINING RIGHT GRANTED

MC Mining Limited (“**MC Mining**” or the “**Company**”) is pleased to announce that the South African Department of Mineral Resources (“**DMR**”) has granted a mining right for its 74% owned Generaal coking and thermal coal project (“**Generaal Project**”) in the Limpopo province.

The Generaal Project, together with the Chapudi and Mopane Projects, comprise the Company’s longer-term Greater Soutpansberg Project (“**GSP**”) in the Soutpansberg Coalfield. The GSP is located within close proximity to the Musina-Makhado Special Economic Zone (“**SEZ**”), an area designated by government to focus on, amongst others, energy and metallurgical industries.

The Company submitted mining right applications for the three GSP project areas to the DMR during 2013 and following the Chapudi Project mining right in December 2018, the Generaal Project mining right is the second of the applications to be granted. The Generaal Project contains over 407 million gross tonnes *in situ* of inferred coal resources¹ and supports MC Mining’s strategy of being South Africa’s pre-eminent producer of hard coking coal, used in the steel manufacturing process and attracting significantly higher sales prices compared to thermal coal.

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

“The granting of the Generaal Project mining right is a further step in unlocking value from MC Mining’s significant coking and thermal coal assets, positioning the GSP to be a potential long-term coal supplier to industrial users both local and offshore, including the planned Musina-Makhado SEZ.

The long-term development of the three GSP project areas is complementary to our flagship Makhado hard coking coal project, also in the Soutpansberg Coalfield. The Company has made significant progress in advancing Makhado during the last 12 months and anticipates completing the Phase 1

¹ The GSP independent Competent Persons Report can be found on the Company’s website: <http://www.mcmining.co.za/our-business/projects/gsp-mbeu-yashu>

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capital raise process in the near-term in order to facilitate the commencement of construction in Q1 CY2020. The conclusion of domestic and export Makhado Phase 1 and Phase 2 off-take agreements reflects the market appetite for hard coking coal and the significant potential of projects located in this coalfield.”

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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 (coking and thermal coal), Vele Colliery (coking and thermal 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 do 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.

Statements of intention

Statements of intention are statements of current intentions only, which may change as new information becomes available or circumstances change.

MC Mining has ensured that the mineral resources quoted are subject to good governance arrangements and internal control. The Company has engaged external independent consultants to update the mineral resource in accordance with the JORC Code 2012 and SAMREC 2016. The units of measure in this report are metric, with Tonnes (t) = 1,000kg. Technical

information that requires subsequent calculations to derive subtotals, totals and weighted averages may involve a degree of rounding and consequently introduce an error. Where such errors occur MC Mining does not consider them to be material.