



ANNOUNCEMENT

24 April 2020

REPORT FOR THE QUARTER ENDED 31 MARCH 2020

CONTINUED PRODUCTION IMPROVEMENTS AT UITKOMST COLLIERY

MC Mining Limited ("MC Mining" or the "Company") which operates in South Africa, together with its subsidiaries, hereby provides its update for the three months ended 31 March 2020, the third quarter (the "Quarter") of the Company's 2020 financial year. All figures are denominated in United States dollars unless otherwise stated. Safety metrics are compared to the preceding quarter while financial and operational metrics are measured against the comparable period in the previous financial year. A copy of this report is available on the Company's website, www.mcmMining.co.za.

Salient operational and corporate features

- Safety initiatives continued at the high-grade Uitkomst metallurgical and thermal coal mine ("Uitkomst Colliery" or "Uitkomst") with one lost-time injury ("LTI") recorded during the Quarter (FY2020 Q2: two LTIs);
- The South African Government issued a directive to contain the spread of the COVID-19 virus, instituting a 21-day national lockdown (the "Lockdown"), effective midnight Thursday 26 March 2020. This was subsequently extended to midnight on 30 April 2020 and restrictions will be slowly eased from 1 May 2020, subject to extreme caution.
- The Lockdown resulted in the Uitkomst Colliery being placed on care and maintenance and also impacted activities at the Company's development projects in the Limpopo province.
- Prior to the 26 March 2020 Lockdown, the Uitkomst Colliery continued to generate pleasing production trends and run-of-mine ("ROM") coal production was 12% higher than the March 2019 period (127,122 tonnes ("t") vs. 113,190t);
- Sales of high-grade metallurgical, thermal and high-ash middlings coal were 4% higher than the comparative period (72,942t vs. 70,271t);

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 South Block, Summercon Office Park, Corner Rockery Lane and Sunset Avenue Lonehill, 2191, South Africa Tel +27 10 003 8000 Fax +27 11 388 8333

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

- Composite debt/equity funding initiatives for the Makhado hard coking coal project ("**Makhado Project**" or "**Makhado**") continued, with funding now expected to be completed in Q2/Q3 CY2020;
- Vele semi-soft coking and thermal coal colliery ("**Vele Colliery**" or "**Vele**") remained on care and maintenance during the Quarter, but the Vele processing plant is expected to be refurbished and recommissioned as part of Phase 1 of the Makhado Project when financed; and
- Brenda Berlin was appointed as Acting Chief Executive Officer ("**CEO**") following the resignation of David Brown.

Coal market and financial features

- Average API4 export thermal coal prices for the Quarter of \$79/t were 5% lower than the comparative March 2019 period's \$83/t; and
- Available cash at Quarter-end was \$1.8 million (\$3.5 million at the end of December 2019) with restricted cash of \$0.03 million.

Brenda Berlin, CEO commented:

"Uitkomst continued to generate pleasing results with coal prices trending higher than the first half of the current financial year. Even though the colliery had fewer days' production in the Quarter than Q3 FY2019, ROM coal production was 12% higher. The spread of the COVID-19 virus resulted in the South African Government declaring a Lockdown from 26 March 2020 and key customers significantly reduced or suspended operations. The Lockdown also led to the Uitkomst Colliery being placed on care and maintenance and the Company supports all measures to limit the impact of the virus. Safety of our people is critical and activities at all of our sites will only resume when it is safe to do so.

The Lockdown also impacted MC Mining's corporate office and Makhado, Vele and GSP sites. We implemented contingency programmes, ensuring key activities continue remotely in isolated, safe environments. The Company continues to interact with potential domestic and international capital-providers during the Lockdown and anticipates that the process to secure the balance of funding required to commence development of Phase 1 of Makhado will be completed in Q2/Q3 CY2020 with construction commencing shortly thereafter."

QUARTERLY COMMENTARY

National Lockdown

The health and safety of the employees is MC Mining's overriding priority and the Company follows World Health Organisation guidelines, supplemented by direction provided by the South African Government. The Lockdown impacted activities at the Makhado, Vele and Greater Soutpansberg Projects ("GSP") as well as the Company's corporate office and resulted in Uitkomst being placed on care and maintenance from 27 March 2020. The Company has implemented its business continuity measures as well as enacted procedures to protect the health and safety of all of its people, including health monitoring, training, hygiene and security controls.

The Lockdown also resulted in MC Mining having to implement a 'no work, no pay' policy for non-essential staff. Following this and subsequent to the end of the Quarter, the Company successfully applied for a portion of wages to be paid by the Temporary Employee Relief Scheme. This will reduce the adverse financial impacts that the Lockdown is having on staff and the funds will be distributed to eligible employees in April 2020.

The Lockdown was subsequently extended to 30 April 2020 and will be followed by a phased easing from 1 May 2020, subject to extreme caution, with the South African Government yet to clarify activities permissible from this date. The Company continues to monitor the effects of the Lockdown on its operations as well as critical suppliers and customers. The Uitkomst Colliery is a mechanised underground operation and it will be possible to ramp-up to steady state production levels within a relatively short timeframe once the Lockdown period is over and key suppliers and customers have recommenced operations.

Uitkomst Colliery - Utrecht Coalfields (70% owned)

The continued focus on safety contributed to the improved performance at Uitkomst and the colliery recorded one LTI during the Quarter (FY2020 Q2: two LTIs).

The production improvement initiatives previously implemented at Uitkomst continued to yield results and ROM coal production was 12% higher than the comparative period (127,122t vs 113,190t), despite the loss of approximately 8,000 tonnes of ROM coal production due to the Lockdown. Sales for the Quarter of high-grade metallurgical and thermal coal were 64,264t (FY2019 Q3: 61,956t) while 8,678t of high-ash middlings coal were sold (FY2019 Q3: 8,315t).

Average API4 thermal coal prices for the Quarter improved on H1 FY2020 prices but remained 5% lower than the comparative period in 2019 (\$79/t vs \$83/t). The lower coal prices contributed to revenue per tonne falling 8% (\$69/t vs. \$75/t) while production costs were also lower, reducing from \$50/t to \$37/t, benefitting from improved ROM coal production, enactment of further cost control measures and a 10% weakening of the ZAR:US\$ exchange rate.

	Quarter to end-Mar 2020	Quarter to end-Mar 2019	%▲
Production tonnages			
Uitkomst ROM (t)	127 122	113 190	12%
Sales tonnages			
Own ROM (t)	64 264	61 956	4%
Middlings sales	8 678	8 315	4%
	72 942	70 271	4%
Quarter financial metrics			
Revenue/t (\$)	69.33	75.20	(8%)
Revenue/t (ZAR)	1 064	1 054	1%
Production cost/ROM tonnes (\$)^	36.70	50.17	(27%)

^ costs are all South African Rand based

The Uitkomst Colliery has an estimated 15-year life-of-mine ("LOM") which includes the development of a north adit (horizontal shaft). The colliery is in the process of reassessing options regarding the design of the planned north adit.

Makhado Hard Coking Coal Project – Soutpansberg Coalfield (69% owned)

The fully permitted Makhado Project recorded no LTIs (FY2020 Q2: nil) during the Quarter.

MC Mining's flagship Makhado Project has very favourable economics and its phased development will deliver positive returns for shareholders. Makhado has a LOM in excess of 46 years and construction of the project will position MC Mining as South Africa's pre-eminent hard coking coal ("HCC") producer.

The construction of Makhado Phase 1 comprises the development of the west pit and modifications to the existing Vele Colliery processing plant. The Company concluded the initial step in the Phase 1 composite debt/equity funding process when it secured a conditional R245 million (\$14.0 million) term loan facility from the Industrial Development Corporation of South Africa Limited. During the Quarter the Company advanced various initiatives to raise the balance of the funding required. This included positive discussions with debt providers, current shareholders and potential new shareholders at both group and project level. MC Mining anticipates that this will be completed in Q2/Q3 CY2020, following the ending of the Lockdown. Phase 1 has a nine-month construction period with first coal sales in month 10.

Phase 1 is a critical step in the development of Phase 2 of the Makhado Project, which also has significant positive economics, and the Company has already secured off-take agreements for *circa* 50% of the approximately 0.8 million tonnes per annum of Phase 2 HCC.

Vele Semi-Soft Coking and Thermal Coal Colliery - Limpopo (Tuli) Coalfield (100% owned)

The Vele Colliery remained on care and maintenance during the Quarter and no LTIs were recorded during the period (FY2020 Q2: nil).

There were no further developments to report during the Quarter and the Vele processing plant is expected to be refurbished and recommissioned as part of Phase 1 of the Makhado Project.

Greater Soutpansberg Project - Soutpansberg Coalfield (74% owned)

The GSP recorded no LTIs (FY2020 Q2: nil) during the Quarter.

The GSP comprises the Chapudi, Mopane and Generaal areas that are MC Mining's longer-term coking and thermal coal projects. There were no further developments to report during the Quarter.

Markets

The slowdown in the global economy during CY2019 resulted in a decline in metallurgical and thermal coal prices. However, average premium HCC prices improved to \$149/t during the Quarter, 8% higher than the preceding December 2019 period (FY2019 Q3: \$203/t). Demand for South African coal remained robust and the average API4 price for the Quarter was \$79/t, slightly lower than the \$83/t recorded in Q3 FY2019 (FY2020 Q2: \$76/t).

Corporate

Brenda Berlin, the Company's Chief Financial Officer was appointed Acting CEO during the Quarter. This followed the resignation of David Brown as CEO and executive director.

Brenda Berlin

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.

For more information contact:

Brenda Berlin	Chief Executive Officer	MC Mining Limited	+27 10 003 8000
Tony Bevan	Company Secretary	Endeavour Corporate Services	+61 08 9316 9100

Company advisors:

Ross Allister/David McKeown	Nominated Adviser and Broker	Peel Hunt LLP	+44 20 7418 8900
James Duncan	Financial PR (South Africa)	R&A Strategic Communications	+27 11 880 3924

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 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 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.

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.

Tenements held by MC Mining and its Controlled Entities

Project Name	Tenement Number	Location	Interest	Change during Quarter
Chapudi Project*	Albert 686 MS	Limpopo~	74%	
	Bergwater 712 MS		74%	
	Remaining Extent and Portion 2 of Bergwater 697 MS		74%	
	Blackstone Edge 705 MS		74%	
	Remaining Extent & Portion 1 of Bluebell 480 MS		74%	
	Remaining Extent & Portion 1 of Bushy Rise 702 MS		74%	
	Castle Koppies 652 MS		74%	
	Chapudi 752 MS		74%	
	Remaining Extent, Portions 1, 3 & 4 of Coniston 699 MS		74%	
	Driehoek 631 MS		74%	
	Remaining Extent of Dorpsrivier 696 MS		74%	
	Enfield 512 MS (consolidation of Remaining Extent of Enfield 474 MS, Brosdoorn 682 MS & Remaining Extent of Grootvlei 684 MS)		74%	
	Remaining Extent and Portion 1 of Grootboomen 476 MS		74%	
	Grootvlei 684 MS		74%	
	Kalkbult 709 MS		74%	
	Remaining Extent, Remaining Extent of Portion 2, Remaining Extent of Portion 3, Portions 1, 4, 5, 6, 7 & 8 of Kliprivier 692 MS		74%	
	Remaining Extent of Koodoobult 664 MS		74%	
	Koschade 657 MS (Was Mapani Kop 656 MS)		74%	
	Malapchani 659 MS		74%	
	Mapani Ridge 660 MS		74%	
	Melrose 469 MS		74%	
	Middelfontein 683 MS		74%	
	Mountain View 706 MS		74%	
	M'tamba Vlei 654 MS		74%	
	Remaining Extent & Portion 1 of Pienaar 635 MS		74%	
	Remaining Extent & Portion 1 of Prince's Hill 704 MS		74%	
	Qualipan 655 MS		74%	
	Queensdale 707 MS		74%	
	Remaining Extent & Portion 1 of Ridge End 662 MS		74%	

Project Name	Tenement Number	Location	Interest	Change during Quarter
	Remaining Extent & Portion 1 of Rochdale 700 MS		74%	
	Sandilands 708 MS		74%	
	Portions 1 & 2 of Sandpan 687 MS		74%	
	Sandstone Edge 658 MS		74%	
	Remaining Extent of Portions 2 & 3 of Sterkstroom 689 MS		74%	
	Sutherland 693 MS		74%	
	Remaining Extent & Portion 1 of Varkfontein 671 MS		74%	
	Remaining Extent, Portion 2, Remaining Extent of Portion 1 of Vastval 477 MS		74%	
	Vleifontein 691 MS		74%	
	Ptn 3, 4, 5 & 6 of Waterpoort 695 MS		74%	
	Wildebeesthoek 661 MS		74%	
	Woodlands 701 MS		74%	
Kanowna	M27/41	Coolgardie^	2.99%	
West and Kalbara	M27/47		2.99%	
	M27/59		2.99%	
	M27/72, 27/73		2.99%	
	M27/114		2.99%	
	M27/181		7.24%	
	M27/196		2.99%	
	M27/414, 27/415		2.99%	
	P27/1826-1829		2.99%	
	P27/1830-1842		2.99%	
	P27/1887		2.99%	
Abbotshall Royalty	ML63/409, 410	Norseman^	Royalty	
Kookynie Royalty	ML40/061	Leonora^	Royalty	
	ML40/135, 136		Royalty	
Makhado Project	Fripp 645 MS	Limpopo~	69%#	
	Lukin 643 MS		69%#	
	Mutamba 668 MS		69%#	
	Salaita 188 MT		69%#	
	Tanga 849 MS		69%#	
	Daru 848 MS		69%#	
	Windhoek 847 MS		69%#	
Generaal Project*	Beck 568 MS--	Limpopo~	74%	
	Bekaf 650 MS-		74%	
	Remaining Extent & Portion 1 of Boas 642 MS-		74%	
	Chase 576 MS-		74%	
	Coen Britz 646 MS-		74%	
	Fanie 578 MS-		74%	
	Portions 1, 2 and Remaining Extent of Generaal 587 MS-		74%	
	Joffre 584 MS-		74%	

Project Name	Tenement Number	Location	Interest	Change during Quarter
	Juliana 647 MS		74%	
	Kleinenberg 636 MS-		74%	
	Remaining Extent of Maseri Pan 520 MS-		74%	
	Remaining Extent and Portion 2 of Mount Stuart 153 MT--		100%	
	Nakab 184 MT--		100%	
	Phantom 640 MS--		74%	
	Riet 182 MT--		100%	
	Rissik 637 MS-		100%	
	Schuitdrift 179 MT-		100%	
	Septimus 156 MT--		100%	
	Solitude 111 MT-		74%	
	Stayt 183 MT--		100%	
	Remaining Extent & Portion 1 of Terblanche 155 MT--		100%	
	Van Deventer 641 MS-		74%	
	Wildgoose 577 MS-		74%	
Mopane Project*	Ancaster 501 MS--	Limpopo~	100%	
	Banff 502 MS-		74%	
	Bierman 599 MS-		74%	
	Cavan 508 MS		100%	
	Cohen 591 MS--		100%	
	Remaining Extent, Portions 1 & 2 of Delft 499 MS-		74%	
	Dreyer 526 MS--		74%	
	Remaining Extent of Du Toit 563 MS-		74%	
	Faure 562 MS		74%	
	Remaining Extent and Portion 1 of Goosen 530 MS --		74%	
	Hermanus 533 MS-		74%	
	Jutland 536 MS--		100%	
	Krige 495 MS-		74%	
	Mons 557 MS-		100%	
	Remaining Extent of Otto 560 MS (Now Honeymoon)-		74%	
	Remaining Extent & Portion 1 of Pretorius 531 MS-		74%	
	Schalk 542 MS-		74%	
	Stubbs 558 MS-		100%	
	Ursa Minor 551 MS--		74%	
	Van Heerden 519 MS--		74%	
	Portions 1, 3, 4, 5, 6, 7, 8, 9, Remaining Extent of Portion 10, Portions 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 26, 27, 29, 30, 35, 36, 37, 38, 39, 40, 41, 44, 45, 46, 48, 49, 50, 51, 52 & 54 of Vera 815 MS		74%	

Project Name	Tenement Number	Location	Interest	Change during Quarter
	Remaining Extent of Verdun 535 MS-		74%	
	Voorburg 503 MS-		100%	
	Scheveningen 500 MS-		74%	
Uitkomst Colliery and prospects	Portion 3 (of 2) of Kweekspruit No. 22	KwaZulu-Natal~	70%	
	Portion 8 (of 1) of Kweekspruit No. 22		70%	
	Remainder of Portion 1 of Uitkomst No. 95		70%	
	Portion 5 (of 2) of Uitkomst No. 95		70%	
	Remainder Portion1 of Vaalbank No. 103		70%	
	Portion 4 (of 1) of Vaalbank No. 103		70%	
	Portion 5 (of 1) of Vaalbank No. 103		70%	
	Remainder of Portion 1 of Rustverwacht No. 151		70%	
	Remainder of Portion 2 of Rustverwacht No. 151		70%	
	Remainder of Portion 3 (of 1) of Rustverwacht No. 151		70%	
	Portion 4 (of 1) Rustverwacht No.151		70%	
	Portion 5 (of 1) Rustverwacht No. 151		70%	
	Remainder of Portion 6 (of 1) of Rustverwacht No. 151		70%	
	Portion 7 (of 1) of Rustverwacht No. 151		70%	
	Portion 8 (of 2) of Rustverwacht No. 151		70%	
	Remainder of Portion 9 (of 2) of Rustverwacht No. 151		70%	
	Portion 11 (of 6) of Rustverwacht No. 151		70%	
	Portion 12 (of 9) of Rustverwacht No. 151		70%	
	Portion 13 (of 2) of Rustverwacht No. 151		70%	
	Portion 14 (of 2) of Rustverwacht No. 151		70%	
	Portion 15 (of 3) of Rustverwacht No. 151		70%	
	Portion 16 (of 3) of Rustverwacht No. 151		70%	
	Portion 17 (of 2) of Rustverwacht No. 151		70%	

Project Name	Tenement Number	Location	Interest	Change during Quarter
	Portion 18 (of 3) of Waterval No. 157		70%	
	Remainder of Portion 1 of Klipspruit No. 178		70%	
	Remainder of Portion 4 of Klipspruit No. 178		70%	
	Remainder of Portion 5 of Klipspruit No. 178		70%	
	Portion 6 of Klipspruit No. 178		70%	
	Portion 7 (of 1) of Klipspruit No. 178		70%	
	Portion 8 (of 1)of Klipspruit No. 178		70%	
	Portion 9 of Klipspruit No. 178		70%	
	Remainder of Portion 10 (of 5) of Klipspruit No. 178		70%	
	Portion 11 (of 5) of Klipspruit No. 178		70%	
	Portion 13 (of 4) of Klipspruit No. 178		70%	
	Remainder of Portion 14 of Klipspruit No. 178		70%	
	Portion 16 (of 14) of Klipspruit No. 178		70%	
	Portion 18 of Klipspruit No. 178		70%	
	Portion 23 of Klipspruit No. 178		70%	
	Remainder of Portion 1 of Jackalsdraai No. 299		70%	
	Remainder of Jericho B No. 400		70%	
	Portion 1 of Jericho B No. 400		70%	
	Portion 2 of Jericho B No. 400		70%	
	Portion 3 of Jericho B No. 400		70%	
	Remainder of Jericho C No. 413		70%	
	Portion 1 of Jericho C No. 413		70%	
	Remainder of Portion 1 of Jericho A No. 414		70%	
	Remainder of Portion 2 (of 1) of Jericho A No. 414		70%	
	Portion 3 (of 1) of Jericho A No. 414		70%	

Project Name	Tenement Number	Location	Interest	Change during Quarter
	Portion 4 (of 1) of Jericho A No. 414		70%	
	Portion 5 (of 2) of Jericho A No. 414		70%	
	Portion 6 (of 1) of Jericho A No. 414		70%	
	Margin No. 420		70%	
Vele Colliery and prospects	Portions of Overvlakte 125 MS (Remaining Extent, 3, 4, 5, 6, 13, 14)	Limpopo~	100%	
	Bergen Op Zoom 124 MS		100%	
	Semple 155 MS		100%	
	Voorspoed 836 MS		100%	
	Alyth 837 MS		100%	
Tshikunda	Certain portions of Unsurveyed State Land known as Mutale	Limpopo~	60%	
* Form part of the Greater Soutpansberg Projects				
- Lapsed - Mining Right Application Lodged				
-- Valid - Mining Right Application Lodged				
~ Tenement located in the Republic of South Africa				
^ Tenement located in Australia				
# MC Mining's interest will reduce to 69% on completion of the 26% Broad Based Black Economic Empowerment (BBBEE) transaction				