



Announcement

30 June 2023

MAKHADO PROJECT – SIGNIFICANT INCREASES IN MINE LIFE AND COAL RESERVES

MC Mining Limited (**MC Mining** or the **Company**) is pleased to announce the results of the updated Life of Mine (**LOM**) plan and Coal Reserve estimate for its fully-licensed and shovel-ready Makhado steelmaking hard coking coal project (**Makhado Project**, **Makhado** or the **Project**).

Highlights:

- the updated LOM plan² demonstrates a significantly increased mine life (+27%), at a higher annual mine production rate (+25%) and results in robust project financial returns, whilst using updated conservative cost, macro-economic and coal price assumptions;
- Proved and Probable Coal Reserves estimates, reported in accordance to JORC Code guidelines¹, have substantially increased (+53%, from 69 to 106 million tonnes (Mt)²) as a result of the detailed mine designs completed for the East Pit deposit in preparation for mine start; and
- steady progress has been made with critical early works activities in line with the Project's Implementation Plan³.

The LOM plan builds on the recently completed five-year Implementation Plan that envisaged initially mining the East Pit. The plan incorporates the exploitation of all portions of the East, Central and West coal deposits that are mineable by surface mining methods. The Coal Reserve estimate is derived from this updated LOM plan that applies updated costs, macro-economic and coal price assumptions.

The updated LOM plan and Coal Reserve estimate are required to conclude funding discussions that are part of the ongoing implementation of the Makhado Project mine-build. The Project is 67.3%-owned by MCM through a local subsidiary, Baobab Mining & Exploration Pty Ltd (**BM&E**). All figures are reported for the full project in US\$ and ZAR.

- **The updated LOM plan is a significant improvement** on the Scenario 2 plan completed in August 2022 to a pre-feasibility level of confidence (**Scenario 2**)⁴, as is demonstrated by:

¹ In accordance with ASX Listing Rule 5.21 and Appendix 5A (the JORC Code) under the supervision of a Competent Person.

² Compared to the 30 August 2022 announcement, Coal Reserves increased 53%, saleable steelmaking HCC increased 64% and saleable TC increased by 57%.

³ Refer to Company announcement of 26 April 2023 Makhado Project Update.

⁴ Refer to Company announcement 30 August 2022 Makhado, Vele and GSP Updates (Alternative Development Scenarios).

- *improved production metrics:*
 - a 25% increase in the targeted rate of mining from 3.2 to 4.0 million (**M**) tonnes per annum (**Mtpa**) run-of-mine (**ROM**) coal; and
 - a 100% increase in coal handling and processing plant capacity, from 2.0 to 4.0 Mtpa; resulting in
 - a 30% increase in planned annual sales of 64 Mid Volatile (**Vol**) steelmaking hard coking coal (**HCC**) to 0.81 Mtpa and a 15% increase in planned annual sales of 5,500 kcal thermal coal (**TC**) to 0.62 Mtpa⁵;
 - a 60% increase of total salable coal products from 26 to 41 million tonnes (**Mt**) over the mine life;
 - a 27% increase in the LOM from 22 to 28 years; and
 - the time to first production increasing from 12 to 18 months due to the new plant build whilst keeping the payback period materially unchanged at 3.5 years from the start of construction.

- *using updated and conservative cost and macro-economic assumptions that account for recent inflationary and market cost escalations in key production inputs, these being:*
 - a 6% increase in estimated fully-allocated costs (**C3**) to average US\$83 (ZAR1,563) per tonne of saleable coal over the LOM;
 - an 11% increase in the estimated project peak funding requirements to US\$96 M (ZAR1.8 billion (**Bn**));
 - a 22% increase in the forecast ZAR:US\$ foreign currency exchange (**Forex**) rate from ZAR15.47 to average ZAR18.83⁶ over the LOM;
 - a marginally higher indexed premium HCC price forecast from US\$212 to US\$215 per tonne sold on a free on board basis (**FOB**)⁷ over the LOM, sourced from independent advisors Afriforesight; and
 - a marginally higher indexed API4 thermal coal price (6,000 kcal) forecast from US\$106 to US\$108 per tonne (**FOB**)⁸ over the LOM.

- *resulting in the following planned financial returns for the Project:*
 - a 20% improvement in free cashflows to US\$936 M (ZAR17.6 Bn);
 - a 17% increase in the post tax Net Present Value (**NPV**) from ZAR5.8 Bn (real, post-tax, at a 6% discount rate) to ZAR6.8Bn (due to exchange rate movements, a 4% reduction in US\$ terms to US\$361 M); and
 - an internal rate of return (**IRR**) (real, post-tax) of 37% and EBITDA margin of 30%.

⁵ Note that the average annual production for the first five years of operations is higher at 0.88 Mtpa of HCC and 0.73 Mtpa of TC as a result of prioritising the mining of higher yielding coal zones.

⁶ ABSA Bank foreign exchange rate consensus long term forecasts as from June 2023.

⁷ Afriforesight coal price consensus long-term forecasts as from June 2023.

⁸ Ibid.

- **Proved and Probable Coal Reserves estimates, reported in accordance to JORC Code guidelines, have substantially increased** compared to the estimates reported previously⁹, to result in:
 - a 53% increase in total Coal Reserves from 69 to 106 Mt due to the revision in the East Pit optimisation and mine design;
 - a 64% increase in salable steelmaking HCC from 13.7 to 22.5 Mt achieved at an overall yield of 21.2%; and
 - a 57% increase in salable TC from 11.9 to 18.7 Mt achieved at an overall yield of 17.6%.

The Coal Resource estimate on which this Coal Reserve estimate is based remains unchanged at 296 Mt of mineable tonnes in situ (**MTIS**) in the Measured and Indicated categories as previously announced by the Company¹⁰. The reported Coal Resource is inclusive of the Coal Reserve.

- **Steady progress has been made with critical early works activities** in line with the Implementation Plan, to advance the Project towards commencement of production, including:
 - commencement with works relating to the power supply overhead transmission line;
 - construction of a bridge across the Mutamba river to provide access to the project site;
 - order placement for key long-lead items; and
 - progressing with the selection of mine-operating contractors.

Chief Executive Officer, Mr. Godfrey Gomwe, commented:

“The Makhado Project continues to progress on schedule in preparation for first coal production to no later than 18 months after construction starts. We are pleased to see a substantial increase in our Coal Reserves and consequently mine life at a much-improved annual production rate for saleable coal products. This bodes well for moving operations down the cost curve whilst aiming to take advantage of the near-term steelmaking HCC coal price boons. We continue to focus on advancing early works activities whilst funding activities are concluded in H2 CY2023, so that mine commissioning meets scheduled [production?] timelines. We are also excited to have strong contenders to be our partner mining contractors and partner coal beneficiation plant operating contractors in the managed tender processes currently under way and due for completion during the third quarter of 2023.”

⁹ Makhado Coal Reserves as stated in the Company’s 30 June 2022 Resources & Reserves Statement, reported in accordance to JORC Code reporting guidelines.

¹⁰ Makhado Coal Resources as stated in the Company’s 30 June 2022 Resources & Reserves Statement, reported in accordance to JORC Code reporting guidelines, Annual report 22 September 2022.

Key Project metrics are provided in the following tables.

Table 1: Key Production Parameters

| Production Metrics | Unit of Measure | LOM Plan |
|--|-----------------|----------|
| Mining Production Rate - (Average) | Mtpa | 3.9 |
| Total ROM Mined (over the mine life) | Mt | 106 |
| Total Waste Mined (over the mine life) | BCM (million) | 260 |
| Stripping Ratio (Waste: ROM) | BCM:tonnes | 2.5 |
| Steelmaking HCC Yield | % | 21.2 |
| TC Yield | % | 17.6 |
| Total Coal Sales - All Products | Mt | 41.2 |
| Coal Sales 5,500 kcal TC - Export | Mt | 18.7 |
| Coal Sales - Steelmaking HCC (Domestic and Export) | Mt | 22.5 |
| Steelmaking HCC - Domestic | Mt | 11.2 |
| Steelmaking HCC - Export | Mt | 11.3 |

Figure 1: ZAR:US\$ foreign exchange rate forecast assumptions (real) as provided by ABSA Bank as of June 2023.

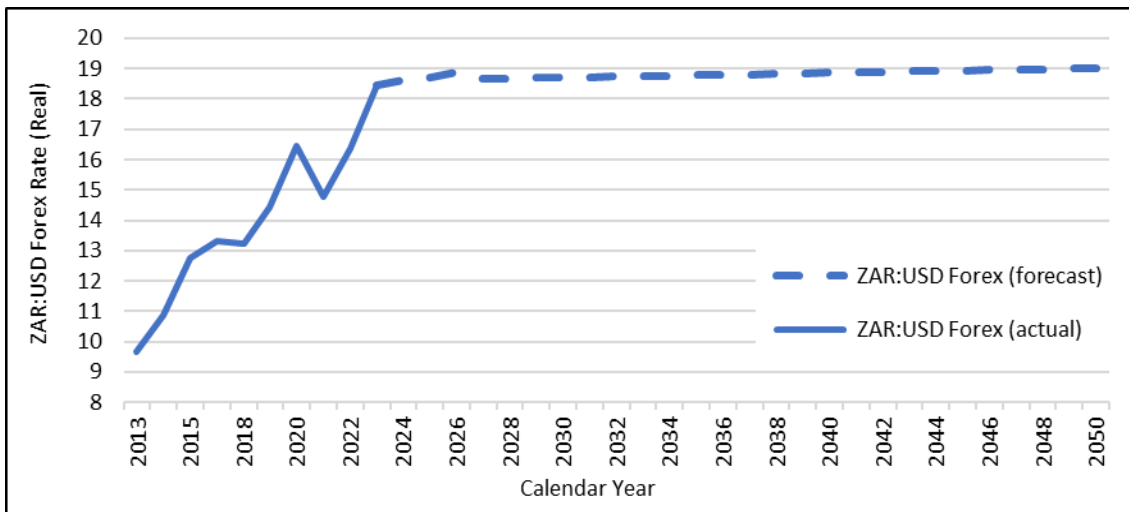


Figure 2: Coal Prices forecast assumptions (real) as provided by Afriforesight as of June 2023.

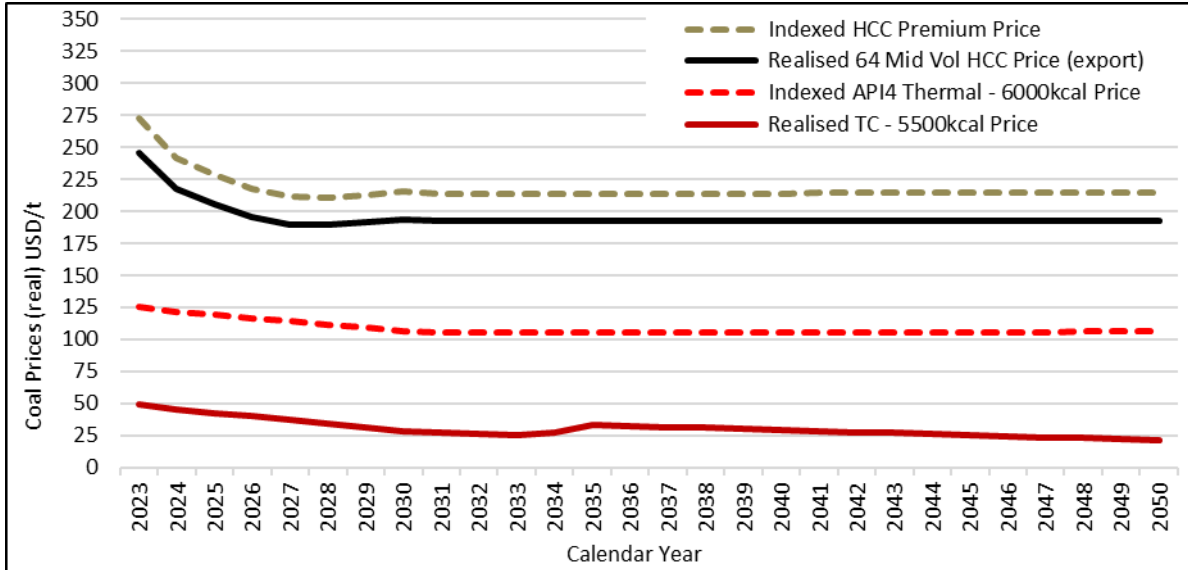


Table 2: Calculations Showing Adjustments from Indexed to Realised Coal Prices (averages over the life of mine)

| Parameters (real, LOM average) | US\$/t |
|---|------------|
| Indexed HCC Premium (source: Afriforesight June 2023 forecast) | 215 |
| Price Discount ¹¹ | -21 |
| Realised 64 mid vol HCC Price (Export) | 193 |
| Sales Price adjustments | -19 |
| Realised 64 mid vol HCC Price (Domestic) | 175 |
| Indexed TC – 6,000 kcal (source: Afriforesight June 2023 forecast) | 108 |
| Price Discount | -17 |
| Sales Price adjustments ¹² | -61 |
| Realised TC 5,500 kcal Price | 29 |

Table 3: Capital Expenditure Estimate

| LOM Capital Expenditure | US\$ 'M | ZAR 'M |
|--|--------------|--------------|
| Construction Capital + 10% Contingency | 90.8 | 1,709 |
| Extension Capital + 20% Contingency (From Year 14) | 28.6 | 539 |
| Sustaining Capital | 12.7 | 240 |
| Total LOM Capital (±15%) | 132.1 | 2,488 |

¹¹ HCC64 index trades at an average 10% discount to the premium HCC price.

¹² Sales price adjustments include transport and port logistics charges.

Table 4: Operating Margins Parameters

| Unit Revenue and Operating Margins | |
|---|-----|
| Fully-allocated Cost Margin (C3 Margin) | 27% |
| EBITDA Margin | 30% |

Table 5: Comparison of LOM Plan (June 2023) to Scenario 2 Plan (August 2022)

| PARAMETER | UNIT OF MEASURE | LOM PLAN (June 2023) | SCENARIO 2 (Aug 2022) | VARIANCE | |
|--|---|----------------------|-----------------------|----------|-----|
| Production Metrics | | | | | |
| Total ROM Mined (over the mine life) | Mt | 106 | 69 | 37 | |
| Total Waste Mined (over the mine life) | BCM | 260 | 146 | 114 | |
| Stripping Ratio (Waste: ROM) | BCM:t | 2.5 | 2.1 | 0.3 | |
| Coal Sales – 5,500 kcal TC – Export | Mt | 18.7 | 11.9 | 6.8 | |
| Coal Sales – steelmaking 64 Mid Vol HCC | Mt | 22.5 | 13.7 | 8.8 | |
| Construction period | Months | 18 | 12 | 6 | |
| Macro-economic Assumptions and Coal Prices | | | | | |
| Long term ZAR:US\$ exchange rate used ² | ZAR:US\$ | 18.8 | 15.5 | 3.4 | |
| Benchmark Prices (real, long term) | Premium HCC price ³ | US\$/t | 215 | 212 | 3 |
| | API4 (6,000 kcal) thermal coal price ⁴ | US\$/t | 108 | 106 | 2 |
| Realised Prices (real) | 64 Mid Vol HCC (export) | US\$/t | 193 | 177 | 16 |
| | 64 Mid Vol HCC (domestic) | US\$/t | 175 | 171 | 3 |
| | TC 5,500 kcal | US\$/t | 29 | 61 | -32 |
| Cost Estimates | | | | | |
| Fully-allocated Unit Costs (C3) | US\$/salable t | 83 | 78 | 5 | |
| Construction Capital | ZAR 'Bn | 1.7 | 1.2 | 0.5 | |
| Financial Evaluation Outcomes | | | | | |
| Peak Funding Requirements | ZAR 'Bn | 1.8 | 1.3 | 0.5 | |
| Free cashflow (post tax) | ZAR 'Bn | 17.6 | 12.1 | 5.5 | |
| Post-tax IRR | % | 37 | 41 | -4 | |
| Post-tax NPV(6%) | ZAR 'Bn | 6.8 | 5.8 | 1 | |
| Post-tax NPV(10%) | ZAR 'Bn | 4.0 | 3.8 | 0.2 | |
| Average payback period (years) | Years | 3.5 | 3.5 | 0 | |

The NPV is most sensitive to variances in the USD:ZAR Forex rate, HCC price and HCC yields. The NPV increases by 45%, 35% and 25%, respectively, when the USD:ZAR Forex rate, HCC price and HCC yields are each increased by 10%. Conversely, the NPV is less sensitive to changes in mining operating costs and product trucking costs. The NPV decreases by 12% and 9% when mining costs and product trucking costs are increased by 10% respectively.

The break-even indexed premium HCC and API4 TC (6,000 kcal) prices, where the NPV is zero, were calculated to be US\$171/t and US\$86/t, respectively at the production ratios presented in the LOM Plan.

The LOM Plan is an improvement, in many aspects, on the project development scenario selected in August 2022 (Scenario 2) as the preferred plan to be taken forward. Whilst the Scenario 2 plan was compiled at a pre-feasibility level of confidence ($\pm 30\%$), the LOM plan has been prepared with capital cost estimates within a $\pm 10\%$ accuracy level for the first five years of the project and thereafter within $\pm 30\%$. The capex for the first five years, excluding any sustaining capex, is ZAR1.7Bn to construct the Makhado Project ($\pm 10\%$ accuracy) while LOM plan includes a further ZAR0.5Bn ($\pm 30\%$ accuracy) to develop the Central and West pits. The reference date for the cost estimates is April 2023.

CRITICAL EARLY WORKS IMPLEMENTATION PROGRESS

The Company continues with critical early works being:

- commencement with detailed design, procurement and construction of the power supply overhead transmission line, with construction team now mobilised onsite - a critical path activity;
- refurbishment of onsite accommodation to house project construction crews;
- placement of orders for key long-lead time items;
- progress with the managed tender processes for selecting contractors to partner as the lead mining and coal beneficiation plant operating contractors;
- mobilisation of construction 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.

SUMMARY OF COAL RESERVES ESTIMATE

Coal Reserves Estimate Update

MCM's equity share in Makhado is 67.3%. A summary of the Gross ~~net~~ Coal Reserve estimate is shown in Table 65.

Table 6: Makhado Project Coal Reserves Estimate as at 28 June 2023 (Gross)

| Deposit | Reserve Category | Tonnage | Steelmaking HCC | | TC | |
|-----------------|------------------|---------------|-----------------|---------------------|--------------|---------------------|
| | | ROM kt | Yield % | Salable Tonnes (kt) | Yield % | Salable Tonnes (kt) |
| East Pit | Proved | 49 695 | 22.3% | 11 101 | 17.6% | 8 743 |
| | Probable | 4 878 | 23.2% | 1 129 | 17.3% | 843 |
| | Total | 54 573 | 22.4% | 12 230 | 17.6% | 9 586 |
| Central Pit | Proved | 21 947 | 21.3% | 4 685 | 17.1% | 3 747 |
| | Probable | 1 158 | 24.7% | 286 | 16.9% | 196 |
| | Total | 23 105 | 21.5% | 4 971 | 17.1% | 3 944 |
| West Pit | Proved | 26 114 | 18.7% | 4 885 | 18.3% | 4 791 |
| | Probable | 2 462 | 17.5% | 431 | 15.3% | 376 |
| | Total | 28 576 | 18.6% | 5 317 | 18.1% | 5 167 |
| Combined | Proved | 97 756 | 21.1% | 20 672 | 17.7% | 17 281 |



| Deposit | Reserve Category | Tonnage | Steelmaking HCC | | TC | |
|---------|------------------|----------------|-----------------|---------------------|--------------|---------------------|
| | | ROM kt | Yield % | Salable Tonnes (kt) | Yield % | Salable Tonnes (kt) |
| | Probable | 8 498 | 21.7% | 1 846 | 16.7% | 1 415 |
| | Total | 106 254 | 21.2% | 22 518 | 17.6% | 18 697 |

GROSS COAL RESERVE ESTIMATE (PROVED AND PROBABLE) AS AT 28 JUNE 2023

Notes

1. *GTIS based on a 1.4 washability*
2. *MTIS excludes the Fripps Farm and is limited to the 200 m depth cut-off.*
3. *MTIS includes geological losses of 5% on Measured, 8% on Indicated and 10% on Inferred Coal Resources.*
4. *Quality parameters applied to GTIS to obtain MTIS.*
5. *Minimum coal seam thickness of 0.5 m applied.*
6. *HCC Ash content ≤ 10%, TC Ash content ≤ 25.9% and Volatile material > 20%.*
7. *The Coal Reserve estimation includes diluted Measured and Indicated Coal Resources only.*
8. *No Inferred Coal Resources have been included in the Coal Reserve estimation.*
9. *The Coal Reserve estimate was completed using a realised coal price of US\$193/t for 64 Mid Vol HCC (export) and US\$29/t for TC 5,000 kcal after product quality discounts and offtake-related deductions were applied.*

Key Assumptions and JORC Code Requirements

Coal Resources are reported inclusive of Coal Reserves.

The coal price assumptions used to estimate Coal Reserves were indexed values of US\$215/t for steelmaking premium HCC and US\$108/t for API4 Thermal Coal (6,000 kcal), on a real basis. The corresponding realised coal prices for two salable products after making quality and sales price adjustments were US\$193/t for the 64 Mid Vol HCC for export and US\$29/t for the TC 5,500 kcal at an assumed ZAR:US\$ Forex rate of ZAR18.83. The long-term indexed coal price forecasts were sourced from Afriforesight and the Forex rate assumptions were sourced from ABSA Bank Ltd as of June 2023.

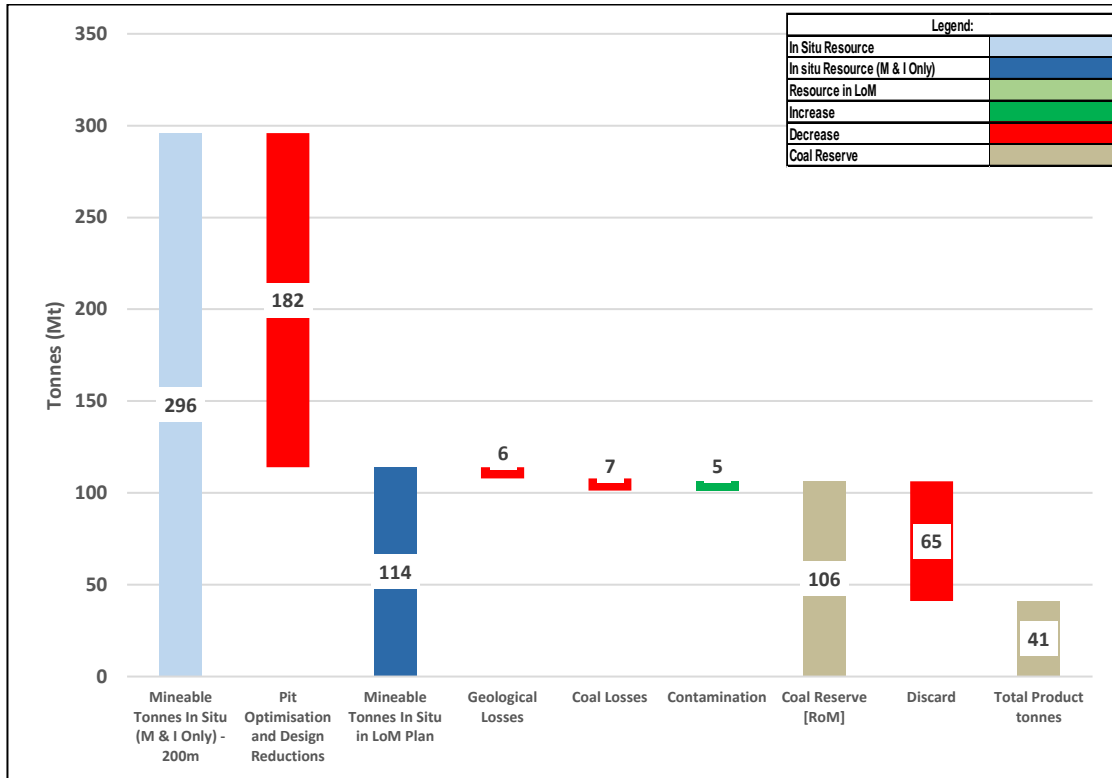
The Coal Resources and Coal Reserves have been classified in accordance with the guidelines set out in the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves, published by the Joint Ore Reserves Committee (**JORC**), of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia, December 2012 (the **JORC Code** or **JORC 2012**).

Material Information for the Makhado Project coal deposit, including a summary of material information pursuant to ASX Listing Rule 5.9 and the Assessment and Reporting Criteria in accordance with JORC 2012 requirements in the body of this announcement, may be found on the Company's website:

<https://protect-za.mimecast.com/s/s9V-Cg5yVQI3GEmTNJvnpn?domain=mcmining.co.za>

The conversion from mineable tonnes in situ Coal Resource (**MTIS**) to Coal Reserves is illustrated in the waterfall chart in Figure 3.

Figure 3: Coal Resource to Coal Reserve Conversion Waterfall Chart



Coal Resources and Coal Reserves Governance Statement

In accordance with ASX Listing Rule 5.21.5, governance of the Company’s Coal Resources and Coal Reserves development and management activities are through the management and owner’s team for MCM.

Senior geological and mining engineering staff contracted by MCM oversee reviews and technical evaluations of the estimates and evaluate these with reference to industry standards and empirical estimates for physical, cost and performance measures. The evaluation process also draws upon internal skill sets in operational and project management, coal processing and commercial/financial areas of the business.

The MCM Safety, Health, Environment and Technical Committee (**SHETech Committee**) is responsible for monitoring the planning, prioritisation and progress of the estimation and reporting of Coal Resources. These definition activities are conducted within a framework of quality assurance and quality control protocols covering aspects including drill hole siting, sample collection, sample preparation and analysis as well as sample and data security. The SHETech Committee is responsible for the reporting of Coal Reserves.

A four-level compliance process guides the control and assurance activities by the SHETech Committee, being:



- provision of Company policies, standards, procedures and guidelines;
- Coal Resources and Coal Reserves reporting based on well-founded geological and mining assumptions and compliance with external standards such as the JORC Code;
- internal and third-party reviews of process conformance and compliance; and
- internal and third-party assessment of compliance and data veracity.

The Company reports its Coal Resources and Coal Reserves, as a minimum, on an annual basis and in accordance with ASX Listing Rule 5.21 and clause 14 of Appendix 5A (the JORC Code). Competent Persons named by the Company are either members of the South African Institute of Mining and Metallurgy or the South African Council for Natural Scientific Professions, which are 'Recognised Professional Organisations' (RPOs), included in a list promulgated by the ASX from time to time, hence qualify as Competent Persons as defined in the JORC Code.

Summary of Material Information

The updated Coal Reserve estimate reported in Table 6 is based on the Coal Resource estimate as reported by the Company as of 28 June 2022 with modifying factors applied. The modifying factors and associated criteria used in determining the Coal Reserve are summarised below, in accordance with ASX Listing Rule 5.9.1.

Table 7: Modifying Factors for Coal Reserves Calculations

| Modifying Factors | Unit | Value |
|--|------|-------|
| Minimum Mineable Coal Seam Thickness | m | 0.5 |
| Geological Losses (Measured & Indicated) | % | 5 & 8 |
| Mining Loss Factor | % | 5 |
| Minimum Product Volatiles | % | 20 |
| Mining Contamination | % | 5 |
| Practical Yield | % | 95 |

Comparison of Coal Reserves Estimates

Tables 6 to 9 compare the 2022 Coal Reserves estimate with the updated Coal Reserve estimate as at 28 June 2023. Changes in the Coal Reserves are due to the revision of pit optimisations and detailed mine designs of the East Pit. MCM's equity share is 67.3% of the Coal Reserves estimate shown below. Coal Reserves are included in the Coal Resource estimate.

Table 8: Makhado Project Coal Reserves Changes from Previous Estimate – East Pit (gross)

| Estimate | | Tonnage | Steelmaking HCC | | TC | |
|-----------|------------------|---------------|-----------------|---------------------|--------------|---------------------|
| Date | Reserve Category | ROM kt | Yield % | Salable Tonnes (kt) | Yield % | Salable Tonnes (kt) |
| 30-Jun-22 | Proved | 14 739 | 19.1% | 2 814 | 16.1% | 2 369 |
| | Probable | 2 925 | 21.0% | 614 | 15.3% | 448 |
| | Total | 17 663 | 19.4% | 3 428 | 15.9% | 2 816 |

| Estimate | | Tonnage | Steelmaking HCC | | TC | |
|-----------|------------------|---------------|-----------------|---------------------|--------------|---------------------|
| Date | Reserve Category | ROM kt | Yield % | Salable Tonnes (kt) | Yield % | Salable Tonnes (kt) |
| Changes | Proved | 34 956 | 3.2% | 8 287 | 1.5% | 6 375 |
| | Probable | 1 954 | 2.1% | 515 | 2.0% | 395 |
| | Total | 36 910 | 3.0% | 8 802 | 1.6% | 6 770 |
| 28-Jun-23 | Proved | 49 695 | 22.3% | 11 101 | 17.6% | 8 743 |
| | Probable | 4 878 | 23.2% | 1 129 | 17.3% | 843 |
| | Total | 54 573 | 22.4% | 12 230 | 17.6% | 9 586 |

Table 9: Makhado Project Coal Reserves Changes from Previous Estimate – Central Pit (gross)

| Estimate | | Tonnage | Steelmaking HCC | | TC | |
|-----------|------------------|---------------|-----------------|---------------------|--------------|---------------------|
| Date | Reserve Category | ROM kt | Yield % | Salable Tonnes (kt) | Yield % | Salable Tonnes (kt) |
| 30-Jun-22 | Proved | 21 947 | 21.3% | 4 685 | 17.1% | 3 747 |
| | Probable | 1 158 | 24.7% | 286 | 16.9% | 196 |
| | Total | 23 105 | 21.5% | 4 971 | 17.1% | 3 944 |
| Changes | Proved | - | 0.0% | - | 0.0% | - |
| | Probable | - | 0.0% | - | 0.0% | - |
| | Total | - | 0.0% | - | 0.0% | - |
| 28-Jun-23 | Proved | 21 947 | 21.3% | 4 685 | 17.1% | 3 747 |
| | Probable | 1 158 | 24.7% | 286 | 16.9% | 196 |
| | Total | 23 105 | 21.5% | 4 971 | 17.1% | 3 944 |

Table 10: Makhado Project Coal Reserves Changes from Previous Estimate – West Pit (gross)

| Estimate | | Tonnage | Steelmaking HCC | | TC | |
|-----------|------------------|---------------|-----------------|---------------------|--------------|---------------------|
| Date | Reserve Category | ROM kt | Yield % | Salable Tonnes (kt) | Yield % | Salable Tonnes (kt) |
| 30-Jun-22 | Proved | 26 114 | 18.7% | 4 885 | 18.3% | 4 791 |
| | Probable | 2 462 | 17.5% | 431 | 15.3% | 376 |
| | Total | 28 576 | 18.6% | 5 317 | 18.1% | 5 167 |
| Changes | Proved | - | 0.0% | - | 0.0% | - |
| | Probable | - | 0.0% | - | 0.0% | - |
| | Total | - | 0.0% | - | 0.0% | - |
| 28-Jun-23 | Proved | 26 114 | 18.7% | 4 885 | 18.3% | 4 791 |
| | Probable | 2 462 | 17.5% | 431 | 15.3% | 376 |
| | Total | 28 576 | 18.6% | 5 317 | 18.1% | 5 167 |

Table 11: Makhado Project Coal Reserves Changes from Previous Estimate – East, Central and West Pits combined (gross)

| Estimate | | Tonnage | Steelmaking HCC | | TC | |
|-----------|------------------|---------------|-----------------|---------------------|--------------|---------------------|
| Date | Reserve Category | ROM kt | Yield % | Salable Tonnes (kt) | Yield % | Salable Tonnes (kt) |
| 30-Jun-22 | Proved | 62 800 | 19.7% | 12 384 | 17.4% | 10 907 |
| | Probable | 6 545 | 20.3% | 1 331 | 15.6% | 1 020 |
| | Total | 69 345 | 19.8% | 13 716 | 17.2% | 11 927 |

| Estimate | | Tonnage | Steelmaking HCC | | TC | |
|------------------|------------------|----------------|-----------------|---------------------|--------------|---------------------|
| Date | Reserve Category | ROM kt | Yield % | Salable Tonnes (kt) | Yield % | Salable Tonnes (kt) |
| Changes | Proved | 34 956 | 1.4% | 8 287 | 0.3% | 6 375 |
| | Probable | 1 954 | 1.4% | 515 | 1.1% | 395 |
| | Total | 36 910 | 1.4% | 8 802 | 0.4% | 6 770 |
| 28-Jun-23 | Proved | 97 756 | 21.1% | 20 672 | 17.7% | 17 281 |
| | Probable | 8 498 | 21.7% | 1 846 | 16.7% | 1 415 |
| | Total | 106 254 | 21.2% | 22 518 | 17.6% | 18 697 |

Notes:

GROSS COAL RESERVE ESTIMATE (PROVED AND PROBABLE) AS AT 28 JUNE 2023

1. *GTIS based on a 1.4 washability.*
2. *MTIS excludes the Fripps Farm and is limited to the 200 m depth cut-off.*
3. *MTIS includes geological losses of 5% on Measured, 8% on Indicated and 10% on Inferred Coal Resources.*
4. *Quality parameters applied to GTIS to obtain MTIS.*
5. *Minimum coal seam thickness of 0.5 m applied.*
6. *HCC Ash content ≤ 10%, TC Ash content ≤ 25.9% and Volatile material > 20%.*
7. *The Coal Reserve estimation includes diluted Measured and Indicated Coal Resources only.*
8. *No Inferred Coal Resources have been included in the Coal Reserve estimation.*
9. *The Coal Reserve estimate was completed using a realised coal price of US\$193/t for HCC (export) and US\$29/t for TC after product quality discounts and offtake-related deductions.*

COMPETENT PERSONS STATEMENTS

Coal Resources Estimate

The information in this report that relates to Coal Resources has been compiled by technical consultants and employees of MCM under the supervision of Mr John Sparrow B.Sc. (Hons), M.Sc. (Econ. Geol), SAIMM. Mr Sparrow is a full-time employee of MCM and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Sparrow consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Coal Reserves Estimate

The information in this report that relates to Coal Reserves has been compiled by technical consultants and employees of MCM under the supervision of Mr Ben Bruwer, B Engineering (Mining Engineering), SAIMM. Mr. Bruwer is a principal mining consultant at ABCONN Engineering Pty Ltd. Mr Bruwer has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Bruwer consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.



WAY FORWARD

The Company anticipates that the funding arrangements will be concluded in H2 CY2023. The tender adjudication for major contractors, notably the mining contractor and CHPP operator, is expected to be completed in early Q3 CY2023, followed by the final investment decision, ensuring that the Makhado Project execution processes are broadened from early works to include full scale implementation. First coal production remains expected no later than 18 months from construction start-date.

Godfrey Gomwe

Managing Director and Chief Executive Officer

This announcement has been approved by the Company's Disclosure Committee.
All figures are in South African rand or United States dollars unless otherwise stated.

For more information contact:

| | | | |
|----------------------------|-----------------------------|------------------------------|------------------|
| Tony Bevan | Company Secretary | Endeavour Corporate Services | +61 8 9316 9100 |
| Company advisors: | | | |
| James Harris / James Dance | Nominated Adviser | Strand Hanson Limited | +44 20 7409 3494 |
| Rory Scott | Broker (AIM) | Tennyson Securities | +44 20 7186 9031 |
| Marion Brower | Financial PR (South Africa) | R&A Strategic Communications | +27 11 880 3924 |

BSM Sponsors Proprietary Limited is the nominated JSE Sponsor

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014, as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended.

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 and thermal coal), Makhado Project (hard coking coal), Vele Colliery (semi-soft coking and thermal coal), and the Greater Soutpansberg Projects (coking and thermal coal).

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.mcmining.co.za.



Glossary

| Term | Definition |
|-------------------|---|
| MCM/ the Company | MC Mining Limited |
| BM&E | Baobab Mining & Exploration (Pty) Ltd |
| Mtpa | Million tonnes per annum |
| HCC | hard coking coal |
| TC | Thermal coal |
| Mt | Million tonnes |
| Bn | Billion |
| FOB | Free on board |
| Forex | Foreign exchange rate |
| NPV | Net present value |
| IRR | Internal rate of return |
| M | Million |
| GTIS | Gross tonnes in situ |
| MTIS | mineable tonnes in situ |
| JORC | Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition |
| SHETech Committee | Safety, Health, Environment & Technical Committee |
| SAIMM | South African Institute of Mining and Metallurgy |

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.