



**MCMining**  
LIMITED

**ANNOUNCEMENT**

**11 December 2018**

### **CHAPUDI PROJECT - 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 Chapudi coking and thermal coal project (“**Chapudi Project**”) in the Limpopo province. The Chapudi Project, together with the Mopane and Generaal Projects, comprise the Company’s longer-term Greater Soutpansberg Project (“**GSP**”) situated 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 processing.

The Chapudi mining right is the first of the three GSP mining right applications to be granted; these applications were submitted to the DMR during 2013. The Chapudi Project alone contains over 6.3 billion gross tonnes *in situ* of inferred coal resources<sup>1</sup> and supports MC Mining’s strategy to be a substantial producer of hard coking coal, used in the steel manufacturing process and typically attracting a significantly higher sales price compared to thermal coal.

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

“The granting of the mining right for the Chapudi Project is a key step in unlocking value from MC Mining’s significant coking and thermal coal assets and positions the GSP to be a potential long-term coal supplier to the planned Musina-Makhado SEZ. The Mopane and Generaal Project mining right applications are at an advanced stage and we anticipate that these will be granted in the near future. Following this, the Company will commence with the various studies required for the outstanding water and environmental regulatory approvals.

We continue to advance our flagship Makhado hard coking and thermal coal project and the November 2018 agreement to acquire the Lukin and Salaita properties facilitates the completion of geotechnical and related infrastructure studies for the proposed colliery.

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**Non-executive directors** Peter G. Cordin, Andrew D. Mifflin, Khomotso B. Mosehla, Thabo F. Mosololi, Shangren Ding, An Chee Sin, Brian He Zhen

Further, recent Makhado Project milestones include the conclusion of a hard coking coal off-take agreement while negotiations for the remaining hard coking coal as well as the thermal coal and funding initiatives are progressing and updates will be provided when appropriate.”

## **AUTHORISED BY:**

**David Brown**

**Chief Executive Officer**

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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 and thermal coal), Makhado Project (coking and thermal coal). Vele Colliery (coking and thermal coal), and the Greater Soutpansberg Projects (MbeuYashu).

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### **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.

### **Regulatory**

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

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.

Coal Resources completed for the Greater Soutpansberg Project - Mineral Resources:

MC Mining completed a review and update to its Mineral Resource for the GSP during 2017. The review and verification was undertaken by Venmyn Deloitte (Pty) Ltd, commissioned to prepare an Independent Competent Persons report in accordance with the AIM Rules. The Coal Resources for the GSP assets were estimated and signed-off by MC Mining's Competent Person, Mr J Sparrow (Pr.Sci.Nat.) (MC Mining's Group Geologist).

<sup>1</sup> 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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