



ANNOUNCEMENT

6 June 2022

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### R60 MILLION STANDBY LOAN FACILITY AGREED

MC Mining Limited (**MC Mining** or the **Company**) is pleased to announce that it has entered into a R60 million (US\$3.9 million) Standby Loan Facility (the **Facility**) with Dendocept (Proprietary) Limited (**Dendocept**), an approximately 1.5% shareholder in the Company. Proceeds from the Facility will be utilised to progress early works at the Makhado hard coking coal project (**Makhado Project** or **Makhado**), enhancement of specific areas of the Makhado Bankable Feasibility Study and geotechnical and confirmatory drilling programmes as well as fund group working capital.

The salient features of the Facility are:

- Dendocept will advance up to R60 million to MC Mining's wholly owned subsidiary, GVM Metals Administration (South Africa) (Proprietary) Limited (**GVM Admin**), the group administration company in South Africa;
- The Facility is available for a period of 12 months from first drawdown and must be repaid on or before the end of this period (**Final Maturity Date**);
- Interest will be paid monthly calculated using the prevailing South African Prime interest rate (currently 8.25%) plus a margin of 3%, similar to that levied on the current bank financing in the group;
- the Facility is unsecured and is guaranteed by MC Mining; and
- the outstanding balance on the Final Maturity Date is payable in cash or convertible to MC Mining equity at a price per share calculated as the prevailing 30-day Volume Weighted Average Price minus 15% on the date of conversion. Payment in MC Mining equity is at the sole discretion of GVM Admin and the Company and is subject to all required shareholder and regulatory approvals, including South African exchange control approval.

The Facility does not incur any utilisation charges and can be cancelled prior to the Final Maturity Date without penalty while the terms do not preclude potential equity financing arrangements for the Makhado Project, including the issue of new equity for cash in the Company or its subsidiaries. Additional debt financing will require the settlement of the Facility or the prior written approval of Dendocept.

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**Chairman** Nhlanhla Nene **CEO & Executive Director** Godfrey Gomwe

**Non-executive directors** An Chee Sin, Andrew Mifflin, Brian He Zhen, Junchao Liu, Khomotso Mosehla, Mathews Senosi

**Godfrey Gomwe, CEO of MC Mining, commented:**

“The Facility reflects continued shareholder support, yet another positive step for the Company, and will contribute to group working capital while the Makhado fund raising process is completed. MC Mining continues to progress the remainder of the Makhado funding requirements and anticipates that this will be concluded in Q3 CY2022. The development of Makhado will position MC Mining as South Africa’s pre-eminent producer of high-grade metallurgical coal with long-term hard coking coal markets supported by growing global steel demand, driven by economic development and urbanisation.”

Authorised by

**Godfrey Gomwe**

**Chief Executive Officer**

This announcement is inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014, as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended).

This announcement has been approved by the Company’s Board.

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**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 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).

## Statements of intention

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