



ANNOUNCEMENT

31 January 2023

**ACTIVITIES REPORT FOR THE QUARTER ENDED 31 DECEMBER 2022**  
**FOR**  
**MC MINING LIMITED ("MC Mining" or the "Company")**  
**AND ITS SUBSIDIARY COMPANIES**

**HIGHLIGHTS**

**Operations**

- Health and safety remains a priority and we continue to make progress despite two lost-time injuries (LTIs) recorded during the quarter (FY2023 Q1: one LTI);
- Run-of-mine (ROM) coal production at the Uitkomst metallurgical and thermal coal mine (Uitkomst Colliery or Uitkomst) was 7% lower than the December 2021 quarter at 99,336 tonnes (t) (FY2022 Q2: 107,188t). Production was adversely affected by geological conditions as well as national electricity blackouts interrupting underground mining operations;
- The Company recorded 56,817t of coal sales during the quarter (FY2022 Q2: 49,063t), comprising 13,095t (FY2022 Q2: 43,280t) of high-grade domestic coal sales, 2,975t (FY2022 Q2: 5,783t) of lower grade middlings coal and coal exports of 40,747t (FY2022 Q2: nil t).
- Uitkomst had 27,058t (FY2022 Q2: 10,803t) of high-grade coal at the colliery and a strong export pipeline of 36,764t of stock (FY2022 Q2: nil t) at port at the end of the quarter;
- Coal Sales & Marketing Agreement (Marketing Agreement) with Overlooked (Proprietary) Limited (Overlooked) extended to 30 June 2023;
- Buy-back of a 14% interest in Uitkomst held by a minority black economic empowerment partner, increasing MC Mining's interest in the colliery to 84% and ensuring the colliery satisfies the 'once empowered, always empowered' principle;
- Detailed planning and fund-raising initiatives for the Makhado hard coking coal project (Makhado Project or Makhado) continued during the quarter; and
- Conclusion of a Contract Mining Agreement (the Mining Agreement) with Hlaletthembeni Outsourcing Services (Pty) Ltd (HOS) to recommission, upgrade and operate the Company's Vele

**WEB** [WWW.MCMINING.CO.ZA](http://WWW.MCMINING.CO.ZA)

**EMAIL** [ADMINZA@MCMINING.CO.ZA](mailto: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** Ground Floor, Graystone Building, Fourways Golf Park, Roos Street, Fourways, 2191 **Tel** +27 10 003 8000 **Fax** +27 11 388 8333

**Chairman** Nhlanhla Nene **Chief Executive Officer and Managing Director** Godfrey Gomwe

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

Aluwani Colliery (**Vele** or the **Vele Colliery**). This resulted in the recommissioning of the Vele Colliery coal processing plant (**CPP**) during the quarter.

#### **Corporate**

- Completion of a A\$40 million fully underwritten renounceable rights issue (**Rights Issue**) through the issue of 200,026,719 new ordinary shares;
- The ZAR60 million (US\$3.5 million) owing to Dendocept (Pty) Ltd (**Dendocept**) in terms of the previously announced Standby Loan Facility, was settled as part of the Rights Issue;
- Repayment of the remaining ZAR10 million (US\$0.2 million) loan owing to the Senosi Group Investment Holdings (Proprietary) Limited;
- The Industrial Development Corporation of South Africa Limited (**IDC**) agreed to extend the repayment date for the existing ZAR160 million (US\$9.4 million) loan, plus accrued interest, to 30 June 2023; and
- Available cash and facilities at quarter-end of US\$20.2 million (US\$2.2 million at 30 September 2022) and restricted cash of US\$0.03 million.

#### **Godfrey Gomwe, Managing Director & Chief Executive Officer, commented:**

“The Company made pleasing progress during the December 2022 quarter. The most notable achievements being the completion of the A\$40 million Rights Issue, the recommencement of operations at the Vele Colliery and the extension of the Marketing Agreement with Overlooked.

The completion of the Rights Issue confirmed the continued robust support of our anchor shareholders and provided an opportunity for new equity investors to participate in the Company’s maturing growth strategy. This was completed despite the current volatile market and uncertain economic environment. The additional capital has transformed the Company’s balance sheet and is a further key milestone towards the complete financing of the flagship Makhado Project and the positioning of MC Mining as the only large scale producer of hard coking coal in South Africa.

The Makhado CPP optimisation study was completed during the period. This will potentially increase the Makhado CPP annual ROM feed capacity from 3 million tonnes per annum to 4 million tonnes per annum and will be used in the detailed CPP and infrastructure design work as well as revised mine plans. These are expected to be completed during Q1 CY2023. Following this, the Company’s directors

approved expenditure of ZAR71.3 million (US\$4.1 million) on early works at Makhado and this is expected to commence in early CY2023. The funding initiatives for Makhado continued during the period and these initiatives are expected to be finalised in first half of CY2023.

The Vele Colliery had been on care and maintenance for almost ten years and during this time the Company assessed various strategies to utilise the asset. During December 2022, the Company signed the Mining Agreement with HOS and first coal sales from Vele are expected in Q1 CY2023. The cash generated will be used for Group general working capital requirements and can also potentially contribute funding for the construction of Makhado. The recommissioning will create approximately 245 permanent job positions and the resumption of production at Vele will also alleviate any 'use it or lose it' risk associated with unutilised mining assets in South Africa."

#### **DETAILED QUARTERLY OPERATIONS REPORTS**

##### **Uitkomst Colliery – Utrecht Coalfields (84% owned)**

Two LTIs were recorded during the quarter (FY2023 Q1: one LTI).

The Uitkomst Colliery generated 99,336t of ROM coal during the quarter (FY2022 Q2: 107,188t) with production adversely affected by challenging geological conditions and frequent electricity blackouts implemented by Eskom, the state power utility. Uitkomst does have back-up diesel generators with limited capacity and are only sufficient for underground mining operations. The switch from Eskom to internally generated power does result in operational delays within the mining activities while the increased use of generators and high cost of diesel has had a detrimental effect on mining costs.

Uitkomst sold 53,842t (FY2022 Q2: 43,280t) of high-grade pea and duff-sized coal during the three months, comprising 40,747t exported from Durban (FY2022 Q2: nil t) and 13,095t (FY2022 Q2: 43,280t) to domestic customers. The export coal sales volumes included most of the 42,115t at port at the start of the December 2022 period for which Uitkomst early received export revenue of US\$4.0 million in Q1 FY2023 compared to early export receipts of US\$1.5 million in Q2 FY2023. Uitkomst also sold 2,975t (FY2022 Q2: 5,783t) of high ash, lower value middlings coal under fixed price

arrangements. The colliery had 36,764t (FY2022 Q2: nil t) at port and 27,058t (FY2022 Q2: 10,803t) on site at the end of the quarter with the almost all of the coal at port sold during January 2023.

During the quarter, Uitkomst realized an average export sales price of US\$220/t. However, the net revenue per tonne was adversely affected by high logistics, port, demurrage and export related charges of approximately US\$70/t as well as lower priced, ZAR denominated domestic sales. This yielded net revenue per tonne of US\$129/t (FY2022 Q2: 111/t).

The production costs per saleable tonne were 5% lower than the comparative period (FY2023 Q2: US\$93/t vs. FY2022 Q2: US\$98/t) with the higher sales volumes largely offsetting the 14% weakening of the rand. The ZAR denominated production cost per saleable tonne have been adversely affected by inflationary pressures as well as higher energy costs when the underground mining area uses diesel during blackout periods. Processing costs increased due to increased overtime incurred at the Uitkomst CPP.

|   | Quarter to<br>end-Dec<br>2022 | Quarter<br>to end-<br>Dec<br>2021 | % ▲             |
|---|-------------------------------|-----------------------------------|-----------------|
| <b><i>Production volumes</i></b>        |                               |                                   |                 |
| Uitkomst ROM (t)                        | 99,336                        | 107,188                           | (7%)            |
| <b><i>Inventory volumes</i></b>         |                               |                                   |                 |
| High quality duff and peas at site (t)  | 27,058                        | 10,803                            | >100%           |
| High quality duff and peas at port (t)  | 36,764                        | -                                 | 100%            |
|   | <b>63,822</b>                 | <b>10,803</b>                     | <b>&gt;100%</b> |
| <b><i>Sales tonnages</i></b>            |                               |                                   |                 |
| Domestic high quality duff and peas (t) | 13,095                        | 43,280                            | (70%)           |
| Export high quality duff and peas (t)   | 40,747                        | -                                 | 100%            |
| Middlings sales (t)                     | 2,975                         | 5,783                             | (49%)           |
|   | <b>56,817</b>                 | <b>49,063</b>                     | <b>16%</b>      |
| <b><i>Quarter financial metrics</i></b> |                               |                                   |                 |
| Net revenue/t (US\$)                    | 129                           | 111                               | 16%             |
| Net revenue/t (ZAR)                     | 2,279                         | 1,720                             | 32%             |

|  | Quarter to<br>end-Dec<br>2022 | Quarter<br>to end-<br>Dec<br>2021 | %▲   |
|--|-------------------------------|-----------------------------------|------|
| Production cost/saleable tonnes<br>(US\$)^ | 93                            | 98                                | (5%) |

*^ costs are all South African rand based*

The initial six-month Marketing Agreement with Overlooked was due to expire on 31 December 2022 and was extended to 30 June 2023 during the quarter. The key terms of the Marketing Agreement remain, allowing Uitkomst the opportunity to sell the majority of its coal at prices linked to international coal indexes rather than at floating and fixed price domestic prices.

MC Mining also increased its interest in the Uitkomst Colliery during the period when it bought back the 14% belonging to a black industrialist shareholder, for US\$511k. This transaction ensures that Uitkomst qualifies under the 'once empowered, always empowered' principle associated with mining rights.

#### **Makhado Hard Coking Coal Project – Soutpansberg Coalfield (67% owned)**

The development of the Company's flagship Makhado Project is expected to deliver positive returns for shareholders and position MC Mining as South Africa's pre-eminent hard coking coal (HCC) producer.

The Company appointed Erudite (Pty) Ltd (**Erudite**) to complete the detailed planning for a full process plant design for the Makhado CPP. Erudite expects to complete the panning during Q1 CY2023 and this plan is also required by potential additional funders to complete their assessments. The Company has also employed independent consultants to review the Makhado mine plan and this forms part of the detailed execution plan.

MC Mining's directors approved the commencement of early works at Makhado and the Company allocated ZAR71.3 million (US\$4.1 million) to this. The early works are planned to commence in February 2023 and include amongst others, a bridge and internal roads, initial bulk earthworks, site security and communication infrastructure.

### *Makhado Project Funding*

The IDC is a 6.7% shareholder in MC Mining subsidiary, Baobab Mining & Exploration (Pty) Ltd, the owner of the Makhado Project and the bank continues to provide financial support for the development of the Makhado Project. MC Mining previously utilised the existing IDC loan facility to develop the project and during the quarter, the IDC extended the date for repayment of the ZAR160 million loan (US\$9.4 million) plus interest thereon, as well as the terminal draw down date of the additional ZAR245 million (US\$14.4 million) loan facility, to 30 June 2023. Draw down of the additional ZAR245 million (US\$14.4 million) loan facility remains subject to the IDC confirming its due diligence and credit approval.

The Company continued the Makhado Project composite funding initiatives during the quarter and anticipates that the balance of the funding will be concluded in the first half of CY2023. The various initiatives underway include amongst others, build, own, operate, transfer (BOOT) funding arrangements, additional senior debt as well as debt/equity instruments and coal prepayments.

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

Vele recorded no LTIs (FY2023 Q1: nil) during the quarter.

The Vele Colliery had been on care and maintenance for almost ten years and during this period the Company assessed various strategies to utilise the asset. This confirmed the significant capital and technical investment required to optimise production at the colliery. With the increase in coal prices, the outsourcing of operations at Vele was identified as the optimal strategy as this would secure the necessary investment from a third party to modify the CPP and remove a significant portion of the ongoing costs associated with the colliery. This resulted in the conclusion of the Mining Agreement with HOS during the quarter.

In terms of the Mining Agreement, HOS will undertake mining in terms of an agreed mine plan on an exclusive basis until 22 December 2027. HOS is targeting monthly production of 60,000t of saleable thermal coal from Vele and is responsible for all mining and processing costs. The Company remains responsible for the colliery's regulatory compliance, rehabilitation guarantees, relationships with authorities and communities as well as the supply of electricity and water.

HOS recommissioned the Vele CPP in late December 2022 and first coal sales are expected in Q1 CY2023 with ramp-up to full production during Q2 CY2023. The recommissioning adds a further cash generating unit to MC Mining's portfolio with limited financial or human capital contributions, potentially contributes funding for Makhado, creates approximately 245 permanent job positions and also alleviates any 'use it or lose it' risk associated with unutilised mining assets in South Africa.

#### **Greater Soutpansberg Project (GSP) – Soutpansberg Coalfield (74% owned)**

The Greater Soutpansberg Projects recorded no LTIs (FY2023 Q1: nil) during the quarter and no reportable activities occurred during the period.

#### **Fully Underwritten Rights Issue**

During the quarter, the Company completed the Rights Issue to investors in South Africa, Australia and New Zealand, raising A\$40 million (before costs). The net proceeds are being used as follows:

- to meet the Company's equity contribution required for the IDC's proposed debt funding, in relation the development of Makhado;
- fund the continued development of the Makhado Project;
- repayment of the ZAR60 million (approximately US\$3.5 million) of the Dendocept Standby Loan Facility; and
- for general working capital purposes.

#### **Appendix 5B – Quarterly Cash Flow Report**

The Company's cash balance as at 31 December 2022 was US\$20.2 million with available facilities of US\$0.3 million. The aggregate amount of payments to related parties and their associates, as disclosed as item 6.1 of the December 2022 quarter Appendix 5B was US\$59k, comprising executive and non-executive director remuneration.

#### **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.

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**For more information contact:**

|  |                             |                              |                  |
|--|-----------------------------|------------------------------|------------------|
| Tony Bevan   | Company Secretary           | Endeavour Corporate Services | +61 8 9316 9100  |
| <b>Company advisors:</b>                           |                             |                              |                  |
| James Harris / James Dance                         | Nominated Adviser           | Strand Hanson Limited        | +44 20 7409 3494 |
| Rory Scott   | Broker (AIM)                | Tennysen Securities          | +44 20 7186 9031 |
| Marion Brower                                      | 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 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](http://www.mcmining.co.za).

**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.



# 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 Dorps-rivier 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   |          | 74%      |                       |
|                  | 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%      |                       |

| Project Name | Tenement Number  | Location | Interest | Change during quarter |
|--------------|--|----------|----------|-----------------------|
|              | 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%      |                       |
|              | 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%      |                       |

| Project Name           | Tenement Number                      | Location    | Interest  | Change during quarter |
|------------------------|--------------------------------------|-------------|-----------|-----------------------|
|                        | Ptn 3, 4, 5 & 6 of Waterpoort 695 MS |             | 74%       |                       |
|                        | Wildebeesthoek 661 MS                |             | 74%       |                       |
|                        | Woodlands 701 MS                     |             | 74%       |                       |
| Kanowna West & Kalbara | M27/41                               | Coolgardie^ | Royalty<> |                       |
|                        | M27/47                               |             | Royalty<> |                       |
|                        | M27/59                               |             | Royalty<> |                       |
|                        | M27/72,27/73                         |             | Royalty<> |                       |
|                        | M27/114                              |             | Royalty<> |                       |
|                        | M27/196                              |             | Royalty<> |                       |
|                        | M27/181                              |             | 5.99%     | (0.80%)               |
|                        | M27/414,27/415                       |             | Royalty<> |                       |
|                        | P27/1826-1829                        |             | Royalty<> |                       |
|                        | P27/1830-1842                        |             | Royalty<> |                       |
|                        | P27/1887                             |             | Royalty<> |                       |
| Abbotshall Royalty     | ML63/409,410                         | Norseman^   | Royalty   |                       |
| Kookynie Royalty       | ML40/061                             | Leonora^    | Royalty   |                       |
|                        | ML40/135,136                         |             | Royalty   |                       |
| Makhado Project        | Fripp 645 MS                         | Limpopo~    | 67%#      |                       |
|                        | Lukin 643 MS                         |             | 67%#      |                       |
|                        | Mutamba 668 MS                       |             | 67%#      |                       |
|                        | Salaita 188 MT                       |             | 67%#      |                       |
|                        | Tanga 849 MS                         |             | 67%#      |                       |
|                        | Daru 889 MS                          |             | 67%#      |                       |
|                        | Windhoek 900 MS                      |             | 67%#      |                       |
|                        | Beck 568 MS                          | Limpopo~    | 74%       |                       |

| Project Name      | Tenement Number                                       | Location | Interest | Change during quarter |
|-------------------|---|----------|----------|-----------------------|
| Generaal Project* | 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%      |                       |
|                   | 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%      |                       |
|                   | Ancaster 501 MS                                       | Limpopo~ | 100%     |                       |

| Project Name    | Tenement Number   | Location | Interest | Change during quarter |
|-----------------|---|----------|----------|-----------------------|
| Mopane Project* | 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, |          | 74%      |                       |

| Project Name                    | Tenement Number                                       | Location       | Interest | Change during quarter |
|---------------------------------|---|----------------|----------|-----------------------|
|                                 | 45, 46, 48, 49, 50, 51, 52 & 54 of Vera 815 MS        |                |          |                       |
|                                 | 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~ | 84%      | 14%                   |
|                                 | Portion 8 (of 1) of Kweekspruit No. 22                |                | 84%      | 14%                   |
|                                 | Remainder of Portion 1 of Uitkomst No. 95             |                | 84%      | 14%                   |
|                                 | Portion 5 (of 2) of Uitkomst No. 95                   |                | 84%      | 14%                   |
|                                 | Remainder Portion1 of Vaalbank No. 103                |                | 84%      | 14%                   |
|                                 | Portion 4 (of 1) of Vaalbank No. 103                  |                | 84%      | 14%                   |
|                                 | Portion 5 (of 1) of Vaalbank No. 103                  |                | 84%      | 14%                   |
|                                 | Remainder of Portion 1 of Rustverwacht No. 151        |                | 84%      | 14%                   |
|                                 | Remainder of Portion 2 of Rustverwacht No. 151        |                | 84%      | 14%                   |
|                                 | Remainder of Portion 3 (of 1) of Rustverwacht No. 151 |                | 84%      | 14%                   |
|                                 | Portion 4 (of 1) Rustverwacht No.151                  |                | 84%      | 14%                   |
|                                 | Portion 5 (of 1) Rustverwacht No. 151                 |                | 84%      | 14%                   |
|                                 | Remainder of Portion 6 (of 1) of Rustverwacht No. 151 |                | 84%      | 14%                   |
|                                 | Portion 7 (of 1) of Rustverwacht No. 151              |                | 84%      | 14%                   |
|                                 | Portion 8 (of 2) of Rustverwacht No. 151              |                | 84%      | 14%                   |
|                                 | Remainder of Portion 9 (of 2) of Rustverwacht No. 151 |                | 84%      | 14%                   |
|                                 | Portion 11 (of 6) of Rustverwacht No. 151             |                | 84%      | 14%                   |
|                                 | Portion 12 (of 9) of Rustverwacht No. 151             |                | 84%      | 14%                   |
|                                 | Portion 13 (of 2) of Rustverwacht No. 151             |                | 84%      | 14%                   |

| Project Name | Tenement Number                                      | Location | Interest | Change during quarter |
|--------------|--|----------|----------|-----------------------|
|              | Portion 14 (of 2) of Rustverwacht No. 151            |          | 84%      | 14%                   |
|              | Portion 15 (of 3) of Rustverwacht No. 151            |          | 84%      | 14%                   |
|              | Portion 16 (of 3) of Rustverwacht No. 151            |          | 84%      | 14%                   |
|              | Portion 17 (of 2) of Rustverwacht No. 151            |          | 84%      | 14%                   |
|              | Portion 18 (of 3) of Waterval No. 157                |          | 84%      | 14%                   |
|              | Remainder of Portion 1 of Klipspruit No. 178         |          | 84%      | 14%                   |
|              | Remainder of Portion 4 of Klipspruit No. 178         |          | 84%      | 14%                   |
|              | Remainder of Portion 5 of Klipspruit No. 178         |          | 84%      | 14%                   |
|              | Portion 6 of Klipspruit No. 178                      |          | 84%      | 14%                   |
|              | Portion 7 (of 1) of Klipspruit No. 178               |          | 84%      | 14%                   |
|              | Portion 8 (of 1) of Klipspruit No. 178               |          | 84%      | 14%                   |
|              | Portion 9 of Klipspruit No. 178                      |          | 84%      | 14%                   |
|              | Remainder of Portion 10 (of 5) of Klipspruit No. 178 |          | 84%      | 14%                   |
|              | Portion 11 (of 5) of Klipspruit No. 178              |          | 84%      | 14%                   |
|              | Portion 13 (of 4) of Klipspruit No. 178              |          | 84%      | 14%                   |
|              | Remainder of Portion 14 of Klipspruit No. 178        |          | 84%      | 14%                   |
|              | Portion 16 (of 14) of Klipspruit No. 178             |          | 84%      | 14%                   |
|              | Portion 18 of Klipspruit No. 178                     |          | 84%      | 14%                   |
|              | Portion 23 of Klipspruit No. 178                     |          | 84%      | 14%                   |
|              | Remainder of Portion 1 of Jackalsdraai No. 299       |          | 84%      | 14%                   |
|              | Remainder of Jericho B No. 400                       |          | 84%      | 14%                   |
|              | Portion 1 of Jericho B No. 400                       |          | 84%      | 14%                   |
|              | Portion 2 of Jericho B No. 400                       |          | 84%      | 14%                   |
|              | Portion 3 of Jericho B No. 400                       |          | 84%      | 14%                   |

| Project Name                | Tenement Number  | Location | Interest | Change during quarter |
|-----------------------------|--|----------|----------|-----------------------|
|                             | Remainder of Jericho C No. 413                                       |          | 84%      | 14%                   |
|                             | Portion 1 of Jericho C No. 413                                       |          | 84%      | 14%                   |
|                             | Remainder of Portion 1 of Jericho A No. 414                          |          | 84%      | 14%                   |
|                             | Remainder of Portion 2 (of 1) of Jericho A No. 414                   |          | 84%      | 14%                   |
|                             | Portion 3 (of 1) of Jericho A No. 414                                |          | 84%      | 14%                   |
|                             | Portion 4 (of 1) of Jericho A No. 414                                |          | 84%      | 14%                   |
|                             | Portion 5 (of 2) of Jericho A No. 414                                |          | 84%      | 14%                   |
|                             | Portion 6 (of 1) of Jericho A No. 414                                |          | 84%      | 14%                   |
|                             | Margin No. 420   |          | 84%      | 14%                   |
| 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%     |                       |

\* Form part of the Greater Soutpansberg Projects

~ Tenement located in the Republic of South Africa

^ Tenement located in Australia

# MC Mining's interest will reduce to 67% on completion of the 26% Broad Based Black Economic Empowerment (BBBEE) transaction

<> net smelter royalty of 0.5%