



**MCM CONFIRMS SECOND CLOSING**

MC Mining Limited (MC Mining or the Company) draws the attention of shareholders and stakeholders to the Company's announcement of 28 August 2024 (the Announcement) relating to the share subscription agreement (Share Subscription Agreement) entered into with KDG and the subsequent announcement of 23 January 2025 (collectively, the Announcements) confirming the fulfilment of the key condition to the Second Close, as defined in the Share Subscription Agreement, being that MC Mining's shareholders passed a resolution approving the Second Closing by the majorities required under the Australian Corporations Act 2001 (the Corporations Act). The Company is pleased to further confirm that it received the Merger Clearance Certificate of the South African Competition Commission on 13 December 2024 approving the proposed transaction with conditions in accordance with section 14(1)(b) of the South African Competition Act [Number 89 of 1998]. MC Mining and KDG entered into the Share Subscription Agreement on 26 August 2024. The First Closing under the Share Subscription Agreement occurred on 30 August 2024, at which point, an initial payment and subscription for shares occurred resulting in KDG's nominee company holding an effective 13.04% of the issued share capital of MC Mining.

The Board of MC Mining confirms that, in consideration of the funding requirements of the Makhado Project, KDG and the Company have entered an amendment agreement to the Share Subscription Agreement (the Amendment to the Share Subscription Agreement) on 28 February 2025 (the Amendment Date) the purpose of which will be to extend the period of time for implementation of the Second Close subscriptions and payment of the purchase price (the Purchase Price), in aggregate an amount of US\$77,029,412, in 9 instalments (Instalments) that match the profile for the use of proceeds in respect of MC Mining's business plan. In all material respects, the remainder of the terms and conditions of the Share Subscription Agreement as previously announced will remain in effect without amendment. The salient terms of the Amendment to the Share Subscription Agreement are as follows:

Date:	28 February 2025
Parties:	KDG and the Company
Sale and Issue of Shares at the Second Closings	For a total purchase price of US\$77,029,412 (the "Second Closing Purchase Price"), the KDG agrees to subscribe for and purchase, and the Company agrees to issue and sell to the KDG, certain number of ordinary Shares (the "Second Closing Shares") in instalments at the Second Closings (as defined below), to ensure that the

For personal use only



For personal use only

	<p>KDG (including any KDG designee) will hold 51.00% of the ordinary Shares of the Company on a fully diluted basis upon completion of the Final Second Closing (as defined below), regardless of how many shares the Company has issued prior to the Final Second Closing). The price per share for the Second Closings (the "Second Closing Per Share Price") shall be determined by dividing the Second Closing Purchase Price by the number of Second Closing Shares. As at the Amendment Date, the Company has 476,115,351 fully paid Ordinary Shares in issue, among which, 62,102,002 Ordinary Shares are held by a KDG designee. Assuming there will be no other change to the share capital of the Company from the Amendment Date to the Final Second Closing, the number of Second Closing Shares shall be 368,809,851 Ordinary Shares and the Second Closing Per Share Price is approximately US\$0.2089.</p>
Second Closings	<p>The issuance and sale of the Instalment Second Closing Shares (each a "Second Closing", collectively the "Second Closings", and together with the First Closing, the "Closings", and each, a "Closing") shall be completed within five(5) Business Days after KDG's corresponding payment for each instalment payment period of the Second Closings, in accordance with the Amendment to the Share Subscription Agreement. The final instalment of the Second Closings is referred to as the "Final Second Closing".</p> <p>The Parties agree that the Second Closing Purchase Price, and each tranche of it (i.e., each Instalment Second Closing Purchase Price), shall be used to develop, exploit and operate the Company's coal business and be paid by KDG to</p>



For personal use only

	<p>the Company's designated bank account, , or any Subsidiary of the Company or any third party agreed upon by both Parties, in the amounts set forth below, unless otherwise agreed by the Parties in writing. The Company may direct KDG to apply all or part of any Instalment Second Closing Purchase Price to purchase equipment or other assets that are needed for the Company's coal business for or on behalf of the Company or any of its subsidiaries. To the extent any payment to any third party made by KDG or its affiliates is made in a currency other than U.S. dollar, the U.S. dollar equivalent amount for such payment shall be calculated based on the middle price of RMB:USD exchange rate published by the People's Bank of China on such payment date, or such other relevant foreign exchange rate published by Thomson Reuters on the "currencies" page of the Reuters website as at around 11:00 am (Beijing time) on the payment date, as applicable, and such payment date shall be deemed to be the date the corresponding Instalment Second Closing Purchase Price has been made to the Company.</p>
--	---

Second Closings	Payment Period	Instalment Second Closing Purchase Price (in US\$)	Number of Instalment Second Closing Shares and cumulative shareholding (%) of the Investor/KDG Designee
<i>first Second Closing</i>	Before January 31, 2025 (received in full by MC Mining)	<i>USD 10 million</i>	47,879,095 (20.99%)
<i>second Second Closing</i>	From February 1, 2025 to February 28, 2025	<i>USD 10 million</i>	47,879,095 (27.60%)



Second Closings	Payment Period	Instalment Second Closing Purchase Price (in US\$)	Number of Instalment Second Closing Shares and cumulative shareholding (%) of the Investor/KDG Designee
<i>third Second Closing</i>	From March 1, 2025 to March 31, 2025	<i>USD 5 million</i>	23,939,547 (30.51%)
<i>fourth Second Closing</i>	From April 1, 2025 to May 31, 2025	<i>USD 10 million</i>	47,879,095 (35.68%)
<i>fifth Second Closing</i>	From June 1, 2025 to July 31, 2025	<i>USD 10 million</i>	47,879,095 (40.13%)
<i>sixth Second Closing</i>	From August 1, 2025 to August 31, 2025	<i>USD 10 million</i>	47,879,095 (44.01%)
<i>seventh Second Closing</i>	From September 1, 2025 to October 31, 2025	<i>USD 10 million</i>	47,879,095 (47.42%)
<i>eighth Second Closing</i>	From November 1, 2025 to January 31, 2026	<i>USD 6 million</i>	28,727,457 (49.27%)
<i>Final Second Closing</i>	From February 1, 2026 to February 28, 2026	<i>USD 6.029412 million</i>	28,868,277 (51.00%)

**Appointment of directors at the Second Closing:**

The condition precedent that MC Mining shall have taken all necessary corporate action such that immediately on the Second Closing its board of directors shall have the additional directors designated by KDG as members of the board, and removal of directors as required by KDG from being members of the board of MC Mining with effect as of the Second Closing, such that KDG will appoint a majority of the nominee directors of the board of directors, shall be deleted and replaced by the following schedule:

- (a) Where the board of MC Mining consists of 7 seats, the shareholding percentage of KDG (including any designee) and the corresponding number of directors that KDG and/or its designee is entitled to nominate to the board of MC Mining is as follows:



Shareholding percentage of KDG (including its designee)	Number of directors
shareholding percentage < 25.50%	1
25.50% ≤ shareholding percentage < 38.25%	2
38.25% ≤ shareholding percentage < 51.00%	3
shareholding percentage ≥ 51.00%	4

(b) Where the board of MC Mining consists of 8 or 9 seats, the shareholding percentage of KDG (including its designee) and the corresponding number of directors that KDG and/or its designee is entitled to nominate to the board of MC Mining is as follows:

Shareholding percentage of KDG (including its designee)	Number of directors
shareholding percentage < 20.40%	1
20.40% ≤ shareholding percentage < 30.60%	2
30.60% ≤ shareholding percentage < 40.80%	3
40.80% ≤ shareholding percentage < 51.00%	4
shareholding percentage ≥ 51.00%	5

(c) As long as KDG (including its designee) will hold at least 51.00% of MC Mining's issued share capital upon completion of the Final Second Closing, it shall have the right to appoint a majority of MC Mining's directors.



**MCMining**  
LIMITED

This announcement has been approved by the Company's Board of Directors.

---

**For more information contact:**

Bill Pavlovski	Company Secretary	Vision Corporate (Pty) Ltd	bill.pavlovski@mcmining.co.za
----------------	-------------------	----------------------------	-------------------------------

**Company advisers:**

Australian Legal Advisor	K&L Gates	+61 2 9513 2510
--------------------------	-----------	-----------------

Financial PR (South Africa)	R&A Strategic Communications	+27 11 880 3924
-----------------------------	------------------------------	-----------------

JSE Sponsor	BSM Sponsors Proprietary Limited	+ 27 11 038 4150
-------------	----------------------------------	------------------

**About MC Mining Limited:**

MC Mining is an 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).

---

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

**EMAIL** [ADMINZA@MCMINING.CO.ZA](mailto:ADMINZA@MCMINING.CO.ZA)

---

AU Block Arcade, Suite 324, Level 3, 96 Elizabeth Street, Melbourne, Victoria, 3000, Australia Tel +613 9364 4212

ZA Ground Floor, Greystone Building, Fourways Golf Park, Roos Street, Fourways, 2191 Tel +27 10 003 8000

Interim Chairman Mathews Senosi Interim Managing Director & Chief Executive Officer Yi (Christine) He

Non-executive directors An Chee Sin, Zhen (Brian) He, Dr. S. West, B. Pavlovski, M. Huang

For personal use only