



ANNOUNCEMENT

11 June 2026

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**MC MINING ENTERS INTO US\$9.94 MILLION UNSECURED CONVERTIBLE  
PROMISSORY NOTE FUNDING ARRANGEMENTS WITH KINETIC DEVELOPMENT  
GROUP AND EAGLE CANYON**

**MC Mining Limited (ASX/JSE: MCM) (MC Mining or the Company)** is pleased to announce that the Company has entered into binding agreements with each of **Kinetic Development Group Limited (KDG)**, the Company's controlling shareholder, and **Eagle Canyon International Group Holding (Hong Kong) Limited (Eagle Canyon)**, a significant minority shareholder of the Company, pursuant to which KDG and Eagle Canyon have agreed to subscribe for one or more unsecured convertible promissory notes to be issued by the Company for principal amounts of US\$6,136,000 and US\$3,800,000 respectively, representing a principal amount of US\$9,936,000 in aggregate<sup>1</sup> (the **Promissory Note Program**).

The proceeds of the Promissory Note Program will be applied principally towards the continued construction and commissioning of the Company's flagship Makhado hard coking coal project in the Limpopo Province of South Africa (the **Makhado Project**) as set out in more detail below. Funds raised under the Promissory Note Program will also be used to support the Company's general working capital requirements.

**KEY TERMS OF THE PROMISSORY NOTE PROGRAM**

The Promissory Note Program is documented under two separate but parallel sets of transaction documents, each comprising a Note Purchase Agreement and one or more Convertible Promissory Notes (together, the **Transaction Documents**). The Transaction Documents have been executed outside trading hours on the ASX. The key commercial terms of the Promissory Note Program are summarised below:

- **Investors and principal amounts:** KDG has committed to subscribe for notes in an aggregate principal amount of US\$6,136,000, and Eagle Canyon has committed to subscribe for notes in an aggregate principal amount of US\$3,800,000, for a combined aggregate principal amount of US\$9,936,000.

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<sup>1</sup> Equivalent to approximately A\$13,800,000 in aggregate based on the prevailing AUD/USD exchange rate of A\$1.00:US\$0.72 as at the date of this announcement.

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**Chairman** Jianheng (Albert) Deng **Managing Director and Chief Executive Officer** Y (Christine) He

**Non-executive Directors** Mathews Senosi, Dr S West, M Huang, L Wang, Dr H Wang, Guo Xin, M Zhang



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- **Drawdown:** The notes may be drawn down by the Company in one or more tranches at any time from signing until 30 September 2026 (excluding such date) (subject to extension by the relevant investor in writing), provided, as is customary for transactions of this nature, that the specific use of funds for each drawdown is acceptable to the relevant investor.
- **Interest:** Interest will accrue on the outstanding principal amount of each note at a rate equal to the aggregate of (i) the Reserve Bank of Australia's publicly quoted outstanding business loan rate for medium business, and (ii) a margin of 3.00% per annum, compounded monthly in arrears based on a 365-day year.
- **Maturity:** Each note will mature, and be repayable in full (to the extent not converted in accordance with its terms), on the date that is twelve (12) months from the date funds were first received by the Company from the relevant investor (**Maturity Date**).
- **Security:** The notes are unsecured and rank *pari passu* with all other unsecured indebtedness of the Company from time to time.
- **Conversion:** Each investor may, at its election, elect to convert all (or any portion) of the outstanding principal amount of its notes (together with any accrued interest thereon) into new fully paid ordinary shares in the capital of the Company on the maturity date, at a fixed conversion price of US\$0.2089 per share (subject to customary adjustments for any subdivision, consolidation, bonus issue or rights issue of shares in the Company). The conversion shares, when issued, will rank *pari passu* with the existing ordinary shares of the Company.
- **Conditions to conversion:** The investor's right of conversion is conditional upon, among other things, the receipt by the Company of all necessary shareholder and regulatory approvals and in this connection, the Company has agreed to hold a meeting of its shareholders for this purpose within 1 month and no later than 5 business days prior to the Maturity Date.

## USE OF PROCEEDS

The Company intends to apply the proceeds of the Promissory Note Program principally towards the continued construction, commissioning and ramp-up of the Makhado Project, including:

- the completion of the remaining civil works at the Makhado coal handling and preparation plant;

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- the continuing development of the open-cut mining operations, including ongoing overburden stripping and associated mining contractor costs;
- the completion of supporting infrastructure, including the 22kV power supply main line, substation equipment, water supply pipelines and ancillary works;
- the commissioning and joint trial operations required for the Makhado Project to transition into stable commercial production; and
- the general working capital requirements of the MC Mining group and the sustainable management of the Company's other South African mining assets, including Uitkomst Colliery and the Vele Colliery.

As is customary for transactions of this nature, the application of proceeds for each note will be authorised and overseen by the investors, and will be monitored on an ongoing basis in accordance with the terms of the Transaction Documents.

## **GOVERNANCE AND INDEPENDENT BOARD PROCESS**

The negotiation, evaluation and recommendation of the Promissory Note Program has been overseen, on behalf of the Board, by an Independent Board Committee (**IBC**) constituted for that purpose, comprising **Dr Steele West** (Non-Executive Director, as Chairman of the IBC) and **Mr Mathews Senosi** (Non-Executive Director, as a member of the IBC), each of whom is independent of KDG, Eagle Canyon and their respective affiliates. The IBC has been advised by K&L Gates as Australian legal counsel to the Company.

## **SHAREHOLDER APPROVAL**

The Company will, within the timeframes required under the Transaction Documents, convene a general meeting of its shareholders to seek the approvals required to permit the conversion of the notes into ordinary shares of the Company.

The required meeting documents will be dispatched to shareholders in due course in accordance with the Corporations Act, the ASX Listing Rules and the JSE Listings Requirements.

In this connection, MC Mining is pleased to confirm that it has received voting intention statements from shareholders representing in excess of 25% of MC Mining's voting shares that they presently intend to vote in favour of all resolutions put to shareholders seeking approval to permit the conversion, in lieu of a cash payment of the same amount, of the total amount due and payable to KDG under the Promissory Note Program on the Maturity Date into new MC Mining shares at the

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conversion price of US\$0.2089 (subject to customary adjustments for any subdivision, consolidation, bonus issue or rights issue of shares in the Company).

## STRATEGIC RATIONALE

The Board considers that the Promissory Note Program will:

- provide the Company with timely, committed and flexible funding to support the continued construction and commissioning of the Makhado Project, the Company's flagship hard coking coal asset, and to bridge the period to first commercial production;
- further demonstrate the strategic alignment and continued financial support of KDG, the Company's controlling shareholder and an established profitable coal producer listed on the Main Board of the Stock Exchange of Hong Kong Limited (Stock Code: 1277);
- continues the participation of Eagle Canyon as a supportive and significant minority shareholder, providing a meaningful endorsement of the Promissory Note Program by a non-controlling shareholder; and
- preserve both the Company's funding flexibility and sustainability.

Further updates on the Promissory Note Program, including the timing of the general meeting of shareholders and operational milestones at the Makhado Project, will be provided to shareholders in due course.

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

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### 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).

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