

For personal use only

OFFER BOOKLET

Renounceable Rights Issue

MC MINING LIMITED

ABN 98 008 905 388

This Offer Booklet contains details of a fully underwritten 1.012 for 1 (equivalent to 253 for 250) renounceable rights issue offer of new fully paid ordinary shares in MC Mining Limited at the Issue Price per New Share to raise gross proceeds of A\$40 million (equivalent to approximately ZAR 472 million¹)

The Rights Issue closes at 5pm (local time²) on Thursday, 3 November 2022

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR THE UNITED KINGDOM

This Offer Booklet is an important document and requires your immediate attention

This Offer Booklet and the accompanying Entitlement and Acceptance Form should be read carefully and in their entirety. If you are in any doubt about what to do, you should consult your independent professional adviser without delay

Joint Lead Manager and Underwriter



Joint Lead Manager and Corporate Adviser



Corporate Adviser



¹ A reference in this Offer Booklet to the equivalent “ZAR price” for an item (e.g. for the Issue Price) is based on the ZAR/AUD exchange rate of 11.79 at noon (Sydney time) on 16 September 2022.

² A reference in this Offer Booklet to “local time” is a reference to Sydney time for Eligible Investors in Australia and New Zealand or to Johannesburg time for Eligible Investors in South Africa.

TABLE OF CONTENTS & ENQUIRIES

1.	DETAILS OF THE RIGHTS ISSUE	- 12 -
1.1	The Rights Issue	- 12 -
1.2	Size of the Rights Issue	- 12 -
1.3	Use of funds raised under the Rights Issue	- 13 -
1.4	Standby Facility	- 13 -
1.5	Pro forma balance sheet	- 14 -
1.6	Rights trading	- 16 -
1.7	Underwriting	- 16 -
1.8	Potential effect on the control of the Company	- 17 -
1.9	Rights Issue pursuant to section 708AA of the Corporations Act	- 18 -
1.10	Quotation of New Shares	- 20 -
1.11	Issue of New Shares	- 20 -
1.12	Eligible Shareholders	- 20 -
1.13	Overseas Shareholders	- 23 -
1.14	Nominee holders	- 24 -
1.15	Rights and liability attaching to New Shares	- 24 -
1.16	Timetable	- 24 -
1.17	Privacy Act	- 24 -
2.	HOW TO APPLY	- 25 -
2.1	Your choices	- 25 -
2.2	Exercise your Entitlement in full	- 25 -
2.3	Exercise part of your Entitlement	- 26 -
2.4	Exercise your Entitlement and apply for Additional New Shares	- 26 -
2.5	Sell some or all of your Rights either on-market or privately	- 27 -
2.6	Exercise of Rights acquired	- 28 -
2.7	Not take up any of your Entitlement	- 28 -
2.8	Further information for Eligible Shareholders in South Africa	- 28 -
2.9	Payment for New Shares	- 29 -
2.10	Entitlement and Acceptance Form is binding	- 29 -
3.	GENERAL INFORMATION	- 32 -
3.1	Risks	- 32 -
3.2	Tax consideration for investors	- 32 -
3.3	Underwriting	- 33 -
3.4	Corporate adviser fees	- 33 -
3.5	Appointment of nominee	- 33 -
3.6	No cooling-off rights	- 33 -
3.7	Brokerage	- 34 -
3.8	Directors' interest in Shares	- 34 -
3.9	Authorisation	- 34 -
	SCHEDULE 1 – CONSOLIDATED RIGHTS ISSUE TIMETABLE	- 35 -
	SCHEDULE 2 – SUMMARY OF UNDERWRITING AGREEMENT	- 36 -
	SCHEDULE 3 – POTENTIAL IMPACT ON CONTROL	- 39 -
	SCHEDULE 4 – KEY RISKS	- 40 -
	CORPORATE DIRECTORY	- 45 -

Enquiries

Before making a decision about investing in the Company (or participating in the Rights Issue), you (provided that you are an “Eligible Investor” as defined in Section 1.12) should seek advice from your stockbroker, accountant, financial adviser, solicitor, taxation adviser or other independent professional adviser to determine the extent to which any such investment in the Company is suitable for you.

If you have any questions on how to:

- (a) complete the entitlement and acceptance form accompanying this Offer Booklet (**Entitlement and Acceptance Form**³);
- (b) exercise your pro rata “entitlement” to participate in the Rights Issue (your **Entitlement**), either in full or in part;
- (c) exercise your pro rata Entitlement in full and subscribe for New Shares in excess of your Entitlement (**Additional New Shares**⁴);
- (d) sell some or all of your “Rights⁵” on-market (i.e. on ASX or JSE) or privately; or
- (e) exercise any Rights acquired (whether on-market or by way of private transfer) by you to subscribe for a corresponding number of New Shares,

please see Sections 2.1 to 2.9 or call, at your earliest convenience, the Share Registry on 1300 850 505 (if calling from Australia), on +61 (3) 9415 4000 (if calling from New Zealand) or on 0861 100 933 (if calling from South Africa) during business hours Monday to Friday in the relevant country.

Website

For further information (i.e. for information in addition to that which is included in this Offer Booklet) in relation to the Company please visit the Company’s website at www.mcmining.co.za or peruse the Company’s continuous and periodic disclosures given to and released on ASX (which are available at www.asx.com.au (ASX: MCM)) and JSE (which are available at www.jse.co.za (JSE: MCZ)).

³ Eligible Shareholders in South Africa should note that the Entitlement and Acceptance Form that you receive will be referred to as a “Form of Instruction”. A reference in this Offer Booklet to an Entitlement and Acceptance Form includes, as the context requires, a reference to a “Form of Instruction”.

⁴ A reference in this Offer Booklet to “New Shares” includes, as the context requires, a reference to “Additional New Shares”. Furthermore, a holder of one or more Shares is referred to in this Offer Booklet as a “Shareholder”. A “DI Holder” is a holder of Depositary Interests.

⁵ A reference in this Offer Booklet to “Rights” is a reference to the tradeable securities issued by the Company to Eligible Shareholders entitling them (or, if those securities are sold, the acquirer of those securities (provided that the acquirer is an Eligible Investor)), to subscribe for a corresponding number of New Shares at the Issue Price. **The Rights will not be admitted to trading on AIM.**

IMPORTANT INFORMATION

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR THE UNITED KINGDOM

This Offer Booklet is dated 27 September 2022 and the contracts which arise on the acceptance of applications received under the Rights Issue are governed by the laws applicable in New South Wales, Australia and each applicant submits to the non-exclusive jurisdiction of the courts of New South Wales. Neither ASX nor ASIC take any responsibility for the contents of this Offer Booklet. Cooling-off rights do not apply to an investment in New Shares. This means that applicants cannot withdraw their application for New Shares once it has been received by the Company.

The Rights Issue is not being conducted by the Company under an Australian prospectus or product disclosure statement (**PDS**). Instead, the Company is relying on certain provisions in Chapter 6D of the *Corporations Act 2001* (Cth) (**Corporations Act**) to conduct the Rights Issue in Australia and New Zealand without a prospectus or PDS following the provision (by the Company) of certain confirmations to the market. As a result, it is important for Eligible Investors to read and understand the information on the Company and in relation to the Rights Issue made publicly available by the Company, prior to accepting some or all of their Entitlement or accepting all of their Entitlement and (if they are eligible to do so) applying for Additional New Shares. In particular, Eligible Investors should refer to and consider the information in this Offer Booklet and in the Company's continuous and periodic disclosures made available at www.mcmining.co.za, www.asx.com.au (ASX: MCM) and www.jse.co.za (JSE: MCZ).

This Offer Booklet contains "forward-looking statements". Forward-looking statements include those containing words such as: "anticipate", "believe", "expect", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan", "consider", "aim", "will" and other similarly forward-looking expressions. Any forward-looking statement, opinion and/or estimate included in this Offer Booklet is based on assumptions and contingencies which are subject to change without notice and which involve (or are dependent upon the non-occurrence of) various known risks and uncertainties (such as those known risks and uncertainties described in Schedule 4) and any number of unknown risks and uncertainties. Many of these risks and uncertainties are beyond the control of the Company.

Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in any forward-looking statement. Readers are cautioned therefore not to place undue reliance on any forward-looking statement and, except as required by law or regulation, the Company assumes no obligation to (and will not) update any forward-looking statement. Furthermore, and to the maximum extent permitted by law, the Company and its Directors, officers, employees, agents, associates and advisers (i) expressly disclaim all responsibility and any liability (including in negligence) for any forward-looking statement and (ii) make no representation or give any warranty, whether express or implied, as to the accuracy, reliability or completeness (or of the likelihood of fulfilment) of any forward-looking statement.

The information in this Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register the Rights Issue, the Rights or the New Shares, or otherwise permit a public offering of the Rights or New Shares, in any jurisdiction other than Australia, New Zealand and the Republic of South Africa (herein referred to as South Africa).

This Offer Booklet (and any material accompanying it) may not be distributed or released in the United States. This Offer Booklet (and any material accompanying it) does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. The Rights and the New Shares have not been, and will not be, registered under the US Securities Act of 1933 (**US Securities Act**) or the securities laws of any State or other jurisdiction of the United States. The Rights may not be acquired and/or taken up by persons in the United States and the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to the registration requirements of the US Securities Act and the applicable securities laws of any State or other jurisdiction of the United States. The New Shares to be offered and sold to Eligible Investors will only be offered and sold in "offshore transactions" (as defined in Rule 902(h)) in compliance with Regulation S thereunder.

For personal use only

Further information for Eligible Investors in South Africa

The Rights Issue is being made to Eligible Shareholders in South Africa in the circumstances contemplated in section 96 of the South African Companies Act (**SACA**) and this Offer Booklet has been prepared on the basis that the Rights Issue will not constitute an “offer to the public”, as envisaged in Chapter 4 of the SACA. Accordingly: (i) this Offer Booklet does not, nor does it intend to, constitute a “registered prospectus” or advertisement relating to an offer to the public in South Africa, as contemplated by the SACA and (ii) no prospectus has been filed with the Companies Intellectual Property Commission (**CIPC**) in respect of the Rights Issue. As a result, this Offer Booklet does not comply with, *inter alia*, the substance and form requirements for a prospectus set out in the SACA and in the South African Companies Regulations of 2011, has not been filed with, approved by, and/or registered with, the CIPC, or any other South African regulatory authority other than JSE and the Reserve Bank of South Africa. The information contained in this Offer Booklet constitutes factual information as contemplated in section 1(3)(a) of the Financial Advisory and Intermediary Services Act and should not be construed as an express or implied recommendation, guide or proposal that any particular transaction in respect of the New Shares and/or in relation to the business or future prospects of the Company, is appropriate in the light of the investment objectives, financial situations or needs of any Eligible Investor.

Further information for residents of the United Kingdom

The Rights Issue is not being made to, and accordingly no Rights or New Shares are being offered to, any person registered (in accordance with the records of the Share Registry) with an address in the United Kingdom. Such persons are not “Eligible Shareholders” for the purposes of the Rights Issue. This document does not contain an offer or constitute any part of an offer of transferrable securities to the public within the meaning of sections 85 and 102B of the United Kingdom’s Financial Services and Markets Act 2000 (as amended) (**FSMA**) or otherwise. This document is not an approved prospectus for the purposes of section 85 of the FSMA and a copy of it has not been, and will not be, delivered to the United Kingdom’s Financial Conduct Authority (**FCA**) in accordance with the Prospectus Regulation Rules of the FCA made under section 73A of FSMA (**Prospectus Regulation Rules**) or delivered to or approved by any other authority which could be a competent authority for the purposes of Regulation (EU) 2017/1129 as it forms part of retained European Union law as defined in the United Kingdom’s European Union Withdrawal Act 2018 (**Prospectus Regulation**).

Shareholders registered (in accordance with the records of the Share Registry) with an address in the UK will not be sent an Entitlement and Acceptance Form (and will not be issued with any Rights) and DI Holders registered (in accordance with the records of the Share Registry) with an address in the UK and who hold their interest in Shares by way of DIs⁶ in uncertificated form, that is in CREST⁷, will not have their CREST account credited with any Rights. Within the UK, the contents of this document have not been approved by an authorised person within the meaning of FSMA on the basis that this document is a non-real time communication by the Company to its members for the purposes of paragraph 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005. Residents of the UK are referred to Section 3.5 which explains how the Company will appoint a nominee and will issue that nominee with the Rights which would otherwise have been issued to Ineligible Shareholders had they been eligible to participate in the Rights Issue. Such Rights will then be offered for sale, and to the extent that those Rights are able to be sold, that value (less expenses) will be remitted pro rata to all Ineligible Shareholders.

⁶ “**DIs**” or “**Depository Interests**” are defined as dematerialised depository interests in respect of Shares issued by Computershare Investor Services PLC acting as depository to the Company (in relation to Depository Interests held within CREST).

⁷ “**CREST**” is the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (“**CREST Regulations**”)) in respect of which Euroclear UK (as defined in the CREST Regulations) is the operator.

KEY DATES FOR THE RIGHTS ISSUE (ASX)

Announcement of Rights Issue	27 September 2022
“Ex” date	11 October 2022
Rights trading begins ⁸	10am ⁹ on 11 October 2022
Record Date	7pm on 12 October 2022
Offer Booklet sent to Eligible Shareholders	13 October 2022
Opening Date	13 October 2022
Rights trading ends ¹⁰	4pm on 27 October 2022
Last day to extend the Closing Date	31 October 2022
Closing Date	5pm on 3 November 2022
Issue Date ¹¹	8 November 2022
Trading of New Shares begins ¹²	10am on 9 November 2022

The Company reserves the right, subject to the Corporations Act, the Listing Rules, the requirements of JSE and the consent of the Joint Lead Managers, to change the times and dates of the above noted Rights Issue timetable and to accept late applications (either generally, or in particular cases) without notice.

Eligible Investors in South Africa should note that certain of the key dates (including the dates on which Rights/LA's trading begins and ends) are different on JSE than on ASX. Please see Schedule 1 for the “consolidated” (i.e. the timetable applicable to both ASX and JSE) Rights Issue timetable.

⁸ “Rights” (which are referred to in this Offer Booklet as “Letters of Allocation” (or “LA’s”) for Eligible Shareholders in South Africa) will also be able to be traded on JSE (but not on AIM).

⁹ A reference to a time and a date in this Rights Issue timetable is a reference to a time and a date in Sydney, Australia.

¹⁰ New Shares will begin trading (on a deferred settlement basis) on ASX at 10am (Sydney time) on the trading day immediately following the date on which Rights trading on ASX ends.

¹¹ New Shares will continue to trade (on a deferred settlement basis) on ASX until the close of trading on the trading day immediately before the Issue Date.

¹² New Shares will begin trading (on a normal settlement basis) on ASX on the day after the Issue Date. The New Shares will also be admitted to trading on AIM on this date.

LETTER FROM THE MANAGING DIRECTOR & CEO

The directors (**Directors**) of MC Mining Limited ABN 98 008 905 388 (ASX: MCM) (**Company**) are pleased to offer Eligible Shareholders the opportunity to participate in a 1.012 for 1 pro rata renounceable rights issue offer of new fully paid ordinary shares in the Company as set out in this offer booklet (**Offer Booklet**).

The offer set out in this Offer Booklet is available to all Shareholders who are, as at 7pm (local time¹³) on Wednesday, 12 October 2022 (**Record Date**), registered (in accordance with the records of the Share Registry) with an address in Australia, New Zealand or South Africa (**Eligible Shareholders**).

Shareholders or DI Holders registered (in accordance with the records of the Share Registry) with an address in the United Kingdom, or any other jurisdiction outside of Australia, New Zealand and South Africa, are not “Eligible Shareholders” and therefore cannot participate in the Rights Issue.

Ineligible Shareholders in the United Kingdom (and in any other jurisdiction in which the Rights Issue is not being made) are referred to Section 3.5 for detail in relation to the sale process that will be conducted in relation to the Rights they would have otherwise received had they been eligible to participate in the Rights Issue¹⁴.

Key details

As announced on 27 September 2022, the Company is inviting Eligible Shareholders to participate in a renounceable rights issue offer of new fully paid ordinary shares in the Company (each, a **New Share**) on the ratio of 1.012 New Shares for each existing share in the Company (each, a **Share**) held on the Record Date (**Rights Issue**).

The issue price under the Rights issue is A\$0.20 per New Share (i.e. for Eligible Investors in Australia) and ZAR 2.36 per New Share (i.e. for Eligible Investors in South Africa) (in either case, the **Issue Price**). Under the Rights Issue, the Company is seeking to raise gross proceeds of A\$40 million (equivalent to approximately ZAR 472 million).

Eligible Shareholders (other than Eligible Shareholders who are “substantial”¹⁵ Shareholders, Related Parties (and/or their Associates) of the Company or Eligible Shareholders that are sub-underwriting the Rights Issue, none of whom are entitled to apply for Additional New Shares) may apply for “**Additional New Shares**” (i.e. New Shares in excess of their Entitlement) under the Rights Issue.

¹³ A reference in this Offer Booklet to “local time” is a reference to Sydney time for Eligible Investors in Australia and New Zealand or to Johannesburg time for Eligible Investors in South Africa.

¹⁴ The nominee will attempt to sell these Rights and, to the extent that it is able to do so, will remit any value (less expenses) realised from that sale pro rata to Ineligible Shareholders.

¹⁵ A “substantial” Shareholder is one who, under the Corporations Act, holds (or which has a Relevant Interest in) 5% or more of all of the Shares on issue on a particular date.

The allocation of Additional New Shares (and/or any scale-back) will be subject to the availability of Additional New Shares (i.e. if there is a Shortfall) and the Company's absolute discretion. However, the Company intends (if applicable) to allocate Additional New Shares to existing Eligible Shareholders in priority to the allocation of any subsequent Shortfall to any of the sub-underwriters to the Rights Issue.

In the event the Rights Issue is oversubscribed, the Company intends, subject to the requirements of the Corporations Act and the Listing Rules (and any other applicable law or regulation to which the Company is required to comply), to scale-back applications for Additional New Shares received from Eligible Shareholders in proportion to their pre-Rights Issue proportionate interest in Shares.

Other investors (who need not be an existing Shareholder), provided that they are permitted under the securities laws applicable to them, are able to acquire Rights (either on-market or by way of private transfer) and to exercise those Rights to subscribe for a corresponding number of New Shares¹⁶. Please see the paragraph under the heading "Rights trading" for further information.

The funds raised under the Rights Issue will (either directly, or by way of "set-off" in the case of the repayment of the Standby Facility) be used by the Company:

- (a) to meet the Company's equity contribution requirement in relation to the continued development of the Makhado Project;
- (b) repay as much as possible of the total amount outstanding (which is ZAR 60 million) under the Standby Facility¹⁷; and
- (c) for general working capital (including to pay the costs of the Rights Issue) purposes.

Please see the Company's announcement dated 27 September 2022 for a detailed breakdown of the specific components of the Company's equity contribution requirement in relation to the Makhado Project and Section 1.3 in relation to the proposed (either complete or partial (i.e. depending on the size of the Shortfall)) repayment of the outstanding balance owing to Dendocept under the Standby Facility.

¹⁶ All such investors, along with all Eligible Shareholders, are together referred to in this Offer Booklet as "**Eligible Investors**" as the context requires. An Eligible Shareholder may also acquire and exercise Rights to subscribe for a corresponding number of New Shares under the Rights Issue and may also apply for Additional New Shares (provided that they have applied for their full Entitlement first).

¹⁷ As noted elsewhere in this Offer Booklet, the Company intends to repay as much as possible of the ZAR 60 million expected to be owing to Dendocept on or about the date on which the Rights Issue is completed. However, because Dendocept has (i) committed to take up its Entitlement in full and (ii) entered into sub-underwriting arrangements with the Underwriter, the Company and Dendocept have agreed that as much as possible of the amount owing (and therefore payable by the Company to Dendocept under the Standby Facility) will be set-off against the amount owing and expected to be payable by Dendocept to the Company for the New Shares Dendocept is actually issued with (including as a result of its sub-underwriting commitment) under the Rights Issue.

Issue Price

The Issue Price per New Share under the Rights Issue represents an approximately 49.7% discount to the 30-day volume weighted average price (**VWAP**) of Shares traded on ASX and an approximately 48.0% discount to the 30-day VWAP of Shares traded on JSE, in either case, over the 30 trading days on which trades were recorded prior to (and including) Friday, 16 September 2022.

Rights trading

Since the Rights Issue is “renounceable”, Rights¹⁸ will be tradeable on ASX and JSE (but not on AIM) and/or are otherwise transferable to Eligible Investors. This provides existing Eligible Shareholders with the opportunity to sell some or all of their Rights in order to realise value for their Rights and for Eligible Investors to acquire Rights (either on-market or by way of private transfer) and exercise those Rights to subscribe for a corresponding number of New Shares under the Rights Issue.

It is the responsibility of all purchasers of Rights to inform themselves of and comply with the securities laws applicable to them in relation to the acquisition and exercise of Rights. If a purchaser of Rights does not meet the securities law requirements applicable to them (i.e. they are not an “Eligible Investor”) they will not be able to exercise their Rights and will not be able to subscribe for New Shares in relation to those Rights (and, in such circumstances, their Rights will lapse).

Shortfall

New Shares that correspond to the number of Rights not taken up by Eligible Investors under the Rights Issue will form part of the “shortfall” (**Shortfall**)¹⁹.

Underwriting

The Rights Issue is being jointly lead managed by Morgans Corporate Limited ACN 010 539 607 (**Underwriter**) and Adelaide Equity Partners Limited ACN 119 059 559 (**AEP**, and together with the Underwriter, the **Joint Lead Managers** (or **JLMs**)). The Rights Issue is also being fully underwritten by the Underwriter. This means that any Shortfall (i.e. any Shortfall that remains after the Company has satisfied all applications for Additional New Shares from Eligible Shareholders and after the nominee referred to in Section 3.5 has conducted the sale procedure (which procedure is also referred to in Section 3.5)) will, provided the Underwriting Agreement remains in full force and effect, be allocated to the Underwriter.

Please see Section 3.3 and Schedule 2 for further information.

¹⁸ As noted elsewhere in this Offer Booklet, a reference to “Rights” includes, as the context requires, a reference to “Letters of Allocation” for Eligible Shareholders in South Africa.

¹⁹ Said differently, the “Shortfall” (if any) will be equal to the total number of Rights issued under the Rights Issue (i.e. approximately 200,026,728) (which number includes the total number of Rights that would have been issued to Ineligible Shareholders had those Shareholders been eligible to participate in the Rights Issue) less the total number of Rights that are actually exercised by Eligible Investors.

In this regard however, prospective investors should note that the Underwriter has also entered into sub-underwriting arrangements with a number of Eligible Investors (including a number of Eligible Investors who may also be “Related Parties” (or “Associates” of Related Parties²⁰) of the Company and/or who may also be (or may become) “substantial” (i.e. greater than 5%) Shareholders), meaning that any such Shortfall will ultimately be allocated to these sub-underwriters. The fees payable to the Joint Lead Managers and the identity of each sub-underwriter, along with the manner in which the Underwriter intends to allocate the Shortfall (if any) to these sub-underwriters is detailed in Sections 1.4, 1.7, 1.8 and 3.3.

The Makhado Project

Further information in relation to the Company’s (approximately) 67% owned²¹ Makhado Project (as well as the status of and the Company’s development plans in relation to the Makhado Project) can be found on the Company’s website (i.e. at www.mcmining.co.za) and/or in the Company’s periodic and continuous disclosures released to the market via the announcement dissemination platforms of ASX, AIM and JSE. In addition, please see the Company’s announcement dated 27 September 2022 for a breakdown of the specific components of the Company’s equity contribution requirement in relation to the Makhado Project.

Please see Section 1.3 for further information.

No offer into the United Kingdom

The Rights Issue is not being made to, and accordingly no Rights or New Shares are being offered to, any person who is registered (in accordance with the records of the Share Registry) with an address in the United Kingdom. Such persons are not “Eligible Shareholders” for the purposes of the Rights Issue. Accordingly, Shareholders registered (in accordance with the records of the Share Registry) with an address in the United Kingdom will not be sent an Entitlement and Acceptance Form (and will not be issued with any Rights) and DI Holders registered (in accordance with the records of the Share Registry) with an address in the United Kingdom and who hold their interest in Shares by way of Depositary Interests in uncertificated form, that is in CREST, will not have their CREST account credited with any Rights.

Please see Sections 1.12, 1.13 and 3.5 for further information.

²⁰ “Related Party” has the meaning given in section 228 of the Corporations Act. “Associate” has the meaning given in sections 11 to 17 of the Corporations Act.

²¹ The Company has an approximately 67% interest in its flagship Makhado hard coking coal project situated in the Limpopo Province of South Africa (**Makhado** or the **Makhado Project**).

Concluding remarks

Further information in relation to the Rights Issue²² and its impact on the Company is detailed in this Offer Booklet and in the Rights Issue “launch” announcement which was released on ASX (as well as on AIM and JSE) on 27 September 2022.

On behalf of the Directors and management team of the Company, I invite Eligible Shareholders to consider this investment opportunity carefully and, once again, thank you for your ongoing support of our Company.

Yours sincerely



Godfrey Gomwe
Managing Director & Chief Executive Officer

About MC Mining Limited

MC Mining is an ASX/AIM/JSE-listed coal exploration, development and mining company. MC Mining's key projects include the Uitkomst Colliery (metallurgical and thermal coal), the Makhado Project (hard coking coal), the Vele Colliery (semi-soft coking and thermal coal) and the Greater Soutpansberg Coal Projects (coking and thermal coal).

MC Mining is admitted to the official list of and its Shares trade on the financial market provided by ASX Limited (ASX). MC Mining's Shares are also quoted and admitted to trading on the financial markets provided by the Johannesburg Stock Exchange (JSE) and the London Stock Exchange's Alternative Investment Market (AIM).

²² In particular, the Directors strongly encourage you to consider the risks associated with an investment in the Company some of which are set out in Schedule 4.

1. DETAILS OF THE RIGHTS ISSUE

1.1 The Rights Issue

The Company is conducting a fully underwritten pro rata “renounceable” rights issue offer of New Shares to Eligible Shareholders. Under the Rights Issue, Eligible Shareholders are entitled to subscribe for 1.012 New Shares (at the Issue Price per New Share) for each Share held at 7pm (local time) on the Record Date. Fractional entitlements to New Shares will be rounded up or down (as appropriate) with fractions of 0.5 and above being rounded up and fractions below 0.5 being rounded down in either case to the nearest whole New Share.

Your Entitlement to New Shares is shown on your Entitlement and Acceptance Form. Details on how to accept your Entitlement (or part of it), how to accept all of your Entitlement and apply for Additional New Shares or how to sell your Rights (either on-market or by way of private transfer) are set out in Section 2²³. This Offer Booklet will be sent to Eligible Shareholders as per the timetable set out in Schedule 1 together with an Entitlement and Acceptance Form.

1.2 Size of the Rights Issue

The total number of New Shares that may be issued by the Company on completion of the Rights Issue is 200,026,728 (subject to the effects of the rounding procedure referred to in Section 1.1). The table below sets out the expected impact of the Rights Issue on the Company.

Shares	Number
Number of Shares on issue at noon on the Record Date	197,654,870
Number of New Shares to be issued under the Rights Issue (subject to the effects of rounding)	200,026,728
Number of Shares on issue on completion of the Rights Issue (subject to the effects of rounding)	397,681,598

The Company also has a total 4,312,092 performance rights on issue. The number of Performance Rights on issue is not expected to change as a result of the Rights Issue²⁴.

²³ Details on how an Eligible Investor may exercise any Rights acquired (whether on-market or otherwise) to subscribe for a corresponding number New Shares are also set out in Section 2.6.

²⁴ It is also possible that the Company will be required to issue up to approximately 1.1 million warrants (each of which will be exercisable into a Share on or before the fifth anniversary of the date on which the warrants are issued for approximately A\$1.00 per warrant) to the Industrial Development Corporation of South Africa. It is not known if or precisely when these warrants will be issued.

1.3 Use of funds raised under the Rights Issue

The purpose of the Rights Issue is to raise gross proceeds of A\$40 million (equivalent to approximately ZAR 472 million) to be utilised by the Company for the following purposes²⁵:

Use of funds raised	Amount	Percentage
To fund equity contribution requirement in relation to Makhado	A\$31.11 million	77.78%
To repay all or part of the amount owing under the Standby Facility	A\$5.09 million	12.73%
To pay the costs associated with the Rights Issue	A\$1.80 million	4.5%
For general working capital purposes	A\$2.0 million	5.0%
Total	A\$40.0 million	100%

Please see the Company's announcement dated 27 September 2022 for a breakdown of the specific components of the Company's equity contribution requirement in relation to the Makhado Project.

1.4 Standby Facility

As announced by the Company on 6 June 2022, the Company and Dendocept Proprietary Limited (an approximately 1.4% holder of Shares) (**Dendocept**) entered into an agreement pursuant to which Dendocept would provide the Company with up to ZAR 60 million (equivalent to approximately A\$5.09 million) by way of a standby loan facility (**Standby Facility**). Funds drawn under the Standby Facility were to be (and were) utilised by the Company to progress early works at the Makhado Project, to enhance specific areas of the Makhado Bankable Feasibility Study and for related geotechnical studies and confirmatory drilling²⁶.

As at the date of this Offer Booklet, the Company has drawn the full ZAR 60 million (excluding interest, which has already been paid by the Company) under the Standby Facility.

²⁵ Eligible Investors should note that the estimated expenditures referred to in the table in this Section 1.3 are subject to modification by the Company depending on a number of factors.

²⁶ Please see the Company's announcement dated 6 June 2022 for further information in relation to nature and terms of the Standby Facility.

As noted elsewhere in this Offer Booklet, the Company intends to repay as much as possible of the ZAR 60 million (equivalent to approximately A\$5.09 million) expected to be owing to Dendocept under the Standby Facility on or about the date on which the Rights Issue is completed. However, because Dendocept has:

- (a) committed to take up its Entitlement in full; and
- (b) entered into (priority) sub-underwriting arrangements with the Underwriter,

the Company and Dendocept have agreed that as much as possible of the amount owing (and therefore payable by the Company to Dendocept under the Standby Facility) will be “set-off” against the amount (to be) owing and expected to be payable by Dendocept to the Company for the New Shares Dendocept is actually issued with (including as a result of its sub-underwriting commitment) under the Rights Issue.

Shareholders should note that in an attempt to facilitate the efficient repayment of as much as possible of the outstanding balance owing under the Standby Facility by way of set-off, the Underwriter will seek to ensure that Dendocept receives a priority sub-underwriting allocation of New Shares from any Shortfall. Only once this priority allocation has been exhausted will New Shares be allocated to the other sub-underwriters.

Shareholders should further note that if the Shortfall is insufficient to allow the outstanding balance under the Standby Facility to be set-off in full, the Company will (at its election) either repay that remaining amount in cash (including from cash raised under the Rights Issue) and/or (but provided that the Company has sufficient placement capacity under Listing Rule 7.1 (and is permitted to do so under section 606 of the Corporations Act)) convert that outstanding amount into New Shares at (and again, at the Company’s election) either the Issue Price or at an issue price which is 85% of the 30-day VWAP of Shares traded on JSE (with that VWAP calculated over the 30 trading days prior to the date on which those New Shares are issued to Dendocept (if any)).

1.5 Pro forma balance sheet

The following pro forma balance sheet shows the expected impact of the Rights Issue on the Company to give Eligible Investors information on the Company’s pro forma assets and liabilities. The pro forma balance sheet is presented in an abbreviated form, insofar as it does not include all the disclosures required by Australian (or international) Accounting Standards applicable to annual financial statements.

The pro forma balance sheet is based off management accounts for the year ended 30 June 2022 and has been prepared on the basis of the Company’s normal accounting policies. The pro forma balance sheet is not intended to represent the Company’s actual financial position on completion of the Rights Issue and should be read together with the notes set out below and the Company’s periodic and continuous disclosures given to the market.

MC Mining - Forecast balance sheet and effects of Rights Issue

	Group June 2021 (Audited Statement of Financial Position) US\$'000	Group June 2022 (Unaudited Statement of Financial Position) US\$'000	Adjustments US\$'000	Pro forma, Unaudited Statement of Financial Position US\$'000
Assets				
Non-current assets				
Property, plant and equipment	27 370	22 985		22 985
Right-of-use assets	2 588	3 132		3 132
Development assets	19 055	17 271		17 271
Exploration and evaluation assets	93 467	67 795		67 795
Other financial assets	4 708	4 599		4 599
Restricted cash	95	100		100
Total non-current assets	147 283	115 882		115 882
Current assets				
Inventories	834	4 644		4 644
Current tax assets	3 430	1 892		1 892
Trade and other receivables	4	-		-
Cash and cash equivalents	3 226	2 993	23 676	26 669
Total current assets	7 494	9 529		33 205
Total assets	154 777	125 411		149 087
Equity and liabilities				
Equity				
Issued capital	1 041 884	1 045 395	23 676	1 069 071
Retained income / (accumulated loss)	(907 202)	(926 196)		(926 196)
Reserves	(27 437)	(40 829)		(40 829)
Total equity attributable to owners of the parent	107 245	78 370		102 046
Non-controlling interests	(721)	(823)		(823)
Total equity	106 524	77 547		101 223
Liabilities				
Non-current liabilities				
Provisions	6 689	7 021		7 021
Deferred tax liabilities	4 669	4 219		4 219
Lease liabilities	1 557	2 057		2 057
Borrowings	251	-		-
Total non-current liabilities	13 166	13 297		13 297
Current liabilities				
Provisions	195	203		203
Trade and other payables	9 394	9 932		9 932
Current tax liabilities	413	362		362
Lease liabilities	855	885		885
Borrowings	19 231	21 656		21 656
Deferred consideration	2 796	-		-
Bank overdraft	2 203	1 529		1 529
Total current liabilities	35 087	34 567		34 567
Total liabilities	48 253	47 864		47 864
Total equity and liabilities	154 777	125 411		149 087

Investors are cautioned that the carrying values (as at 30 June 2022) of specific areas of the Company's Greater Soutpansberg Projects (i.e. those areas that are not presently considered economically viable) and the Vele Extension are likely to be impaired by the Company. The assets the subject of this likely (albeit, non-cash) impairment have an aggregate carrying value of approximately US\$14.5 million. The pro forma balance sheet set out above includes the impact of this likely impairment. Investors are further cautioned that any such impairment will have a consequential impact the Company's financial performance for the year ended 30 June 2022. The Company's financial report for the year ended 30 June 2022 is expected to be released to the market on or before 30 September 2022.

Investors are referred to the "Additional capital requirements" risk factor in Schedule 4 in relation to the Company's A\$23.54 million (equivalent to approximately ZAR 274 million) debt owing to the IDC which is due for repayment on or before 30 November 2022. This particular liability is included in the line item titled "Borrowings" in the current liabilities section of the pro forma balance sheet set out above.

1.6 Rights trading

Since the Rights Issue is “renounceable”, Rights will be tradeable on ASX and JSE (but not on AIM) and/or are otherwise transferable to Eligible Investors. This provides Eligible Shareholders with the opportunity to sell some or all of their Rights in order to realise value for their Rights and for Eligible Investors (who need not be an existing Shareholder) to acquire Rights and to exercise those Rights to subscribe for a corresponding number of New Shares²⁷.

It is the responsibility of purchasers of Rights to inform themselves of and comply with the securities laws applicable to them in relation to the acquisition and exercise of Rights. If a purchaser of Rights does not meet the applicable securities laws requirements (i.e. if they are not an “Eligible Investor”) they will not be able exercise their Rights to subscribe for New Shares (and, in such circumstances, the Rights that they acquired will lapse).

Please see the Section titled “Key Dates for the Rights Issue” for further detail in relation to when trading in Rights is expected to begin and end, and:

- (a) Section 2.5 if you wish to sell (i.e. “renounce”) some or all of your “Rights” on-market on ASX or privately; or
- (b) Section 2.6 if you wish exercise the Rights acquired by you to subscribe for a corresponding number of New Shares.

Eligible Shareholders in South Africa should refer to Section 2.8.

1.7 Underwriting

The Rights Issue is fully underwritten pursuant to the terms of the underwriting agreement entered into by the Company and the Underwriter on 27 September 2022 (**Underwriting Agreement**). This means that any Shortfall²⁸ will, provided the Underwriting Agreement remains in full force and effect, be allocated to the Underwriter. However, since the Underwriter has entered into sub-underwriting arrangements, any Shortfall will ultimately be allocated to the sub-underwriters. The identity of each sub-underwriter and the manner in which the Shortfall will be allocated to these sub-underwriters is detailed in Sections 1.4 and 1.8.

Please see Section 3.3 and Schedule 2 for further information.

²⁷ The Company accepts no responsibility and disclaims all liability to persons who trade their Rights (whether on the basis of confirmation of allocation provided by the Company, the Share Registry, the JLMs or otherwise) before they receive their Entitlement and Acceptance Form (or Form of Instruction) or who otherwise trade or purport to trade Rights in error.

²⁸ The “Shortfall” (if any) will be equal to the total number of Rights issued under the Rights Issue (which is approximately 200,026,728) (which number includes the total number of Rights that would have been issued to Ineligible Shareholders had those Shareholders been eligible to participate in the Rights Issue) less the total number of Rights that are actually taken up by Eligible Investors.

1.8 Potential effect on the control of the Company

Senosi Group Investment Holdings Proprietary Limited (an entity that is owned and controlled by Mr Senosi, a Director) (**SGIH**) and Dendocept and certain of its Associates²⁹ (collectively, the **Dendocept Group**) have committed to take up their Entitlements (as applicable) in full and have entered into sub-underwriting agreements for the balance of the total amount the Company is seeking under the Rights Issue. As a consequence of these commitments, each of SGIH and the Dendocept Group may, in certain Shortfall scenarios, significantly increase (relative to their current position) their proportionate interests in the Company on completion of Rights Issue.

The proportionate increases, under a 100% Shortfall scenario and a 50% Shortfall scenario, are set out below.

100% Shortfall (i.e. no Eligible Shareholder (other than SGIH and Dendocept (each of whom have committed to apply for their Entitlement in full)) applies for any New Shares under the Rights Issue)

Name of Sub-Underwriter	Relevant Interest (Pre-Rights Issue)	Relevant Interest (as a Percentage of all Shares)	Maximum New Shares that may be Acquired	Relevant Interest (on Completion of Rights Issue)	Relevant Interest (as a Percentage of total Shares)
SGIH	38,363,909	19.41%	86,079,345	124,443,254	31.29%
Dendocept	10,495,871	5.31%	33,169,363	124,443,254	31.29%
Dendocept Group					
Dendocept	10,495,871	5.31%	33,169,363	124,443,254	31.29%
Golden Eagle	10,495,871	5.31%	42,088,175	124,443,254	31.29%
Pacific Goal	10,495,871	5.31%	38,000,754	124,443,254	31.29%
Golden Archer	10,495,871	5.31%	688,818	124,443,254	31.29%

Investors should note that the Company regards the occurrence of the 100% Shortfall scenario as being **extremely unlikely**.

The reason that each of Golden Eagle, Pacific Goal and Golden Archer are shown as having a Relevant Interest in 10,495,871 Shares (i.e. despite none of them being registered as Shareholders as at the date of this Offer Booklet) is because they are Associates of Dendocept and therefore their Relevant Interests are/become the same as Dendocept's (which has a Relevant Interest in 10,495,871 Shares) for the purposes of Chapter 6 of the Corporations Act.

²⁹ Dendocept's "**Relevant Interest**" (as that term is defined in section 608(1) of the Corporations Act) includes the pre-Rights Issue holdings of Y He and J Liu (neither of whom are sub-underwriters (and neither of whom have committed to take up their Entitlements)). Dendocept's Associates for the purposes of the sub-underwriting referred to above are Golden Eagle Trust (**Golden Eagle**), Pacific Goal Investment Ltd (**Pacific Goal**) and Golden Archer Investment (Proprietary) Ltd (**Golden Archer**).

50% Shortfall (i.e. Eligible Shareholders (other than SGIH and Dendocept (each of whom have committed to apply for their Entitlement in full)) only apply for half of their Entitlement under the Rights Issue)

Name of Sub-Underwriter	Relevant Interest (Pre-Rights Issue)	Relevant Interest (as a Percentage of all Shares)	Maximum New Shares that may be Acquired	Relevant Interest (on Completion of Rights Issue)	Relevant Interest (as a Percentage of total Shares)
SGIH	38,363,909	19.41%	48,434,187	86,798,096	21.83%
Dendocept	10,495,871	5.31%	33,169,636	86,798,096	21.83%
Dendocept Group					
Dendocept	10,495,871	5.31%	33,169,636	86,798,096	21.83%
Golden Eagle	10,495,871	5.31%	21,911,868	86,798,096	21.83%
Pacific Goal	10,495,871	5.31%	21,080,641	86,798,096	21.83%
Golden Archer	10,495,871	5.31%	140,080	86,798,096	21.83%

Investors should note that the Company regards the occurrence of the 50% Shortfall scenario as being **highly unlikely**.

In order to further mitigate the potential material impact the Rights Issue may have on the on the “control” (as that term is defined in section 50AA of the Corporations Act) of the Company, the Company will allocate Additional New Shares to existing Eligible Shareholders who apply for them in priority to the issue of any Shortfall to the Underwriter (and therefore to the sub-underwriters).

Regardless, the Company understands that Mr Senosi and the Dendocept Group are supportive of the Company’s financing arrangements, leadership team and operational plans and as such do not currently intend to press for (or procure) any material changes to be made to any of these aspects of the Company.

Should any Shareholder (together with its Associates) acquire a Relevant Interest in more than 20% of the Shares on completion of the Rights Issue that Shareholder will, pursuant to the requirements of AIM, be required to enter into a market standard relationship agreement with the Company designed to seek to ensure that the Company’s business is run for the benefit of Shareholders as a whole and independently of any such Shareholder.

Please see Schedule 3 for further information in relation to the potential impact the Rights Issue may have on the control of the Company.

1.9 Rights Issue pursuant to section 708AA of the Corporations Act

The Rights Issue is being conducted by the Company in accordance with section 708AA of the Corporations Act which allows the Company to make the Rights Issue in Australia without an Australian prospectus (or other form of disclosure document) or PDS.

This Offer Booklet is not a prospectus or PDS under the Corporations Act (or any other Australian or foreign law) and has not been (and will not be) lodged with the Australian Securities and Investments Commission (**ASIC**) (or with any other Australian or foreign regulatory authority).

The Company is a “disclosing entity” for the purpose of section 111AC of the Corporations Act and as such it is subject to regular reporting and disclosure obligations under section 674 of the Corporations Act and the listing rules of ASX (**Listing Rules**).

The obligations referred to in the preceding paragraph require the Company to notify ASX (in the form of an announcement) of information about specified events and matters as they arise to allow ASX to disseminate that information to market participants.

In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions) to notify ASX immediately once it becomes aware of any information concerning the Company which a “reasonable person” would expect to have a material effect on the price or value of the Shares.

For the Company to rely on the disclosure exemption in section 708AA of the Corporations Act (i.e. to allow the Company to conduct the Rights Issue without a prospectus or PDS), the Company is required to lodge a “cleansing notice” under section 708AA(2)(f) of the Corporations Act with ASX.

The cleansing notice is required to:

- (a) set out any information that has been excluded from disclosure in accordance with the Listing Rules and that investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (ii) the rights and liabilities attaching to the New Shares; and
- (b) state the potential effect of the issue of the New Shares on the control of the Company and the consequences of that effect.

The Company lodged a cleansing notice in respect of the Rights Issue with ASX on Tuesday, 27 September 2022.

Within the United Kingdom, this document does not contain an offer or constitute any part of an offer to the public within the meaning of sections 85 and 102B of FSMA or otherwise. This document is not an approved prospectus for the purposes of section 85 of FSMA and a copy of it has not been, and will not be, delivered to the FCA in the UK in accordance with the Prospectus Regulation Rules or delivered to or approved by any other authority which could be a competent authority for the purposes of the Prospectus Regulation.

1.10 Quotation of New Shares

The Company will apply to ASX, AIM and JSE to allow the New Shares the subject of the Rights Issue to be quoted on the financial market conducted by each of ASX, AIM and JSE.

Trading of the New Shares will, subject to ASX, AIM and JSE approval, begin on or about the date specified in the timetable set out under the heading titled “Key Dates for the Rights Issue”.

The fact that ASX, AIM or JSE may quote the New Shares the subject of the Rights Issue is not to be taken in any way as an indication of the merits of the Company or the New Shares.

If an application for quotation is not approved by any of ASX, AIM or JSE, the Company will not issue any New Shares and all application monies received will be refunded (without interest) to each applicant.

1.11 Issue of New Shares

Subject to the New Shares being granted quotation on ASX, AIM and JSE, the New Shares the subject of the Rights Issue will be issued in accordance with the timetable set out in Schedule 1.

In this regard, it is expected that New Shares will be issued by the Company on 8 November 2022 and that updated holding statements for the New Shares issued will be despatched to successful applicants on or about 9 November 2022.

1.12 Eligible Shareholders

The Rights Issue is being made to all Shareholders (and, if applicable, DI Holders) who are, as at 7pm (local time) on the Record Date³⁰, registered (in accordance with the consolidated records of Computershare Investor Services Pty Ltd, the Company’s share registry (**Share Registry**)), with an address in Australia, New Zealand or South Africa (noting that any such Shareholder is considered by the Company to be an “**Eligible Shareholder**”).

This Offer Booklet and an Entitlement and Acceptance Form will only be sent to Eligible Shareholders.

Australia

As noted in Section 1.9, the Rights Issue is being conducted by the Company in Australia in accordance with section 708AA of the Corporations Act.

³⁰ A reference in this Offer Booklet to “local time” is a reference to Sydney time for Eligible Investors in Australia and New Zealand or to Johannesburg time for Eligible Investors in South Africa.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021. The offer of New Shares is renounceable in favour of members of the public.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

South Africa

The offer contained in this Offer Booklet is being made to Eligible Shareholders in South Africa in the circumstances contemplated by section 96 of the SACA. As such, the Rights Issue will not constitute an “offer to the public” as envisaged in Chapter 4 of the SACA. Accordingly, any member of the public in South Africa who is not a Shareholder on the Record Date is not, unless they are an Eligible Investor who acquires Rights (as to which, please see below), entitled to subscribe for any New Shares.

However, as the Rights Issue is “renounceable”, an Eligible Shareholder with an address in South Africa will have the opportunity to sell some or all of their Rights on JSE and/or privately (provided that the purchaser is an Eligible Investor) in order to potentially realise some value for those “renounced” Rights. This will enable Eligible Investors (who need not be existing Shareholders) in South Africa to acquire and exercise Rights to subscribe for a corresponding number of New Shares. Additionally, it is noted that the securities forming the subject matter of the Rights Issue are also subject to any other applicable laws and regulations of South Africa, including, in particular, the Exchange Control Regulations (Government Notice R.1111 of 1 December 1961, as amended).

United Kingdom

The Rights Issue is not being made to, and accordingly no Rights or New Shares are being offered to, any person who is registered (in accordance with the records of the Share Registry) with an address in the United Kingdom. Such persons are not “Eligible Shareholders” for the purposes of the Rights Issue. Accordingly, Shareholders registered (in accordance with the records of the Share Registry) with an address in the United Kingdom will not be sent an Entitlement and Acceptance Form (and will not be issued with any Rights) and DI Holders registered (in accordance with the records of the Share Registry) with an address in the United Kingdom and who hold their interest in Shares by way of Depository Interests in uncertificated form, that is in CREST, will not have their CREST account credited with any Rights.

Exercise of discretion

The Company may however, in its absolute discretion, by way of direct placement with certain Shareholders and DI Holders registered with an address in the United Kingdom, offer to issue such number of New Shares to those Shareholders and DI Holders that is equivalent to their pro rata entitlement to New Shares under the Rights Issue (i.e. had they been eligible to participate in the Rights Issue) at the Issue Price per New Share.

Such direct placements in the United Kingdom will only be made: (1) to any legal entity which is a qualified investor (as defined under Article 2 of the Prospectus Regulation); (2) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation); or (3) in any other circumstances falling within section 86 of FSMA, provided that no such offer shall require the Company or any other person to publish a prospectus pursuant to section 85 of FSMA.

In addition, such direct placements will only be directed at persons in the United Kingdom who are qualified investors (within the meaning of Article 2 of the Prospectus Regulation) who:

- (a) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (**FPO**);
- (b) are high net worth entities falling within Article 49(2)(a) to (d) of the FPO;
or
- (c) are such other persons to whom it may otherwise be lawful to communicate it. Any investment or investment activity constituted by, or related to, such direct placements will only be available to such persons and will be engaged in only with such persons.

Any other person should not rely on or act upon this document in relation to any direct placement or subscription for New Shares.

Eligible Investors

Other investors (none of whom need be an existing Shareholder), are also able, provided that they are permitted under the securities laws applicable to them, to acquire Rights (either on-market or by way of private transfer) and to exercise those Rights to subscribe for a corresponding number of New Shares³¹.

³¹ All such investors, along with all Eligible Shareholders, are together defined (and referred to in this Offer Booklet) as "**Eligible Investors**".

Ineligible Shareholders

In accordance with Listing Rule 7.7.1 and section 9A of the Corporations Act, the Company has decided that it is unreasonable to extend the Rights Issue to any Shareholder or DI Holder with a registered address outside Australia, New Zealand and South Africa (**Ineligible Shareholder**). Accordingly, the Rights Issue is not being extended to, and does not qualify for distribution or sale by or to, and no Rights or New Shares will be issued to Shareholders or DI Holders who have a registered address outside of Australia, New Zealand and South Africa. The Company will send details of the Rights Issue to each Ineligible Shareholder and advise each Ineligible Shareholder that they will not be offered New Shares under the Rights Issue³².

1.13 Overseas Shareholders

This Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register the Rights Issue, the Rights or the New Shares, or otherwise permit a public offering of the Rights or New Shares, in any jurisdiction other than Australia, New Zealand and South Africa. This Offer Booklet (and any material accompanying it) may not be distributed or released in the US. This Offer Booklet (and any material accompanying it) does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the US. The Rights and the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any State or other jurisdiction of the US. The Rights may not be acquired and/or taken up by persons in the United States and the New Shares may not be offered or sold in the US except in transactions exempt from, or not subject to the registration requirements of the US Securities Act and the applicable securities laws of any State or other jurisdiction of the United States.

Shareholders and DI Holders with a registered address in the United Kingdom are referred to Sections 1.12, 1.13 and 3.5.

Exercise of discretion

The Company may however, in its absolute discretion, make offers to certain Shareholders in jurisdictions other than those referred to in the first paragraph in Section 1.12 (and if it does so will only offer those Shareholders such number of New Shares that is equivalent to the entitlement to New Shares under the Rights Issue that those Shareholders would have received had they been eligible to participate in the Rights Issue (i.e. had they been registered in one of the jurisdictions referred to in the first paragraph in Section 1.12)) provided that the relevant Shareholder is able to receive such an offer without any lodgement, disclosure document or other legal formality in the jurisdiction in which they reside.

³² Please note that the Company reserves the right to reject any application that it believes is from an Ineligible Shareholder (or from an investor who the Company believes is not an Eligible Investor).

1.14 Nominee holders

Eligible Investors who are nominees, trustees or custodians are advised to seek advice as to whether they may participate in the Rights Issue on behalf of their indirect/beneficial holders. It is the responsibility of any such Shareholder to ensure compliance with any laws of a country relevant to their application.

Nominees and custodians may not distribute this document, and may not permit any beneficial Shareholder to participate in the Rights Issue, in any country outside of Australia, New Zealand and South Africa, except with the consent of the Company, to beneficial Shareholders in certain other countries where the Company determine it is lawful and practical to make the Rights Issue.

1.15 Rights and liability attaching to New Shares

The New Shares will, from issue, rank equally with existing Shares. Details of the rights and liabilities attaching to Shares are set out in the Company's constitution a copy of which is available by emailing the Company Secretary tonyb@endeavourcorp.com.au.

1.16 Timetable

Eligible Investors should refer to Schedule 1 for further detail in relation to the corporate action timetable applicable to the Rights Issue.

1.17 Privacy Act

If you complete an application for New Shares, you will be providing personal information to the Company (directly or via the Share Registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder and to send corporate communications to you as a Shareholder and carry out administration.

Please contact the Share Registry if you wish to access, correct, and update the personal information that we hold about you. Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth), the Corporations Act and certain rules such as the Listing Rules.

You should note that if you do not provide the information required on the application for New Shares, the Company may not be able to process your application.

2. HOW TO APPLY

2.1 Your choices

If you are an Eligible Shareholder, you may:

- (a) exercise your Entitlement in full (please see Section 2.2);
- (b) exercise part of your Entitlement (please see Section 2.3);
- (c) exercise your Entitlement in full and apply for Additional New Shares³³ (please see Section 2.4);
- (d) sell some or all of your Rights either on-market or privately (please see Section 2.5);
- (e) exercise any Rights acquired (either on-market or privately) to subscribe for a corresponding number of New Shares (please see Section 2.6); or
- (f) do nothing (please see Section 2.7).

2.2 Exercise your Entitlement in full

If you wish to exercise your Entitlement in full, either (i) complete your Entitlement and Acceptance Form in accordance with the instructions detailed on that form and send it, together with your application monies for the full amount shown on your form, to the Share Registry making sure that the completed Entitlement and Acceptance Form and application monies are received by the Share Registry by 5pm (local time) on the Closing Date or (ii) pay the application monies for the full amount shown on your form electronically in accordance with the electronic payment instructions detailed on your Entitlement and Acceptance Form so that your application monies are received by the Share Registry by 5pm (local time) on the Closing Date³⁴.

Please note that the Share Registry's mailing address and the payment & acceptance methods that you (i.e. depending on whether your registered address is in Australia, New Zealand or South Africa) will need to follow are specified on the Entitlement and Acceptance Form³⁵.

³³ Eligible Shareholders who are "substantial", Related Parties (and/or their Associates) of the Company or that are sub-underwriting the Rights Issue are not entitled to apply for Additional New Shares.

³⁴ If you pay your application monies electronically you do not also need to complete and send your Entitlement and Acceptance Form to the Share Registry.

³⁵ Eligible Shareholders in South Africa should note that the Form that you receive may be referred to as a "Form of Instruction" rather than an Entitlement and Acceptance Form.

2.3 Exercise part of your Entitlement

If you wish to exercise part of your Entitlement (and therefore “renounce” the balance³⁶), either (i) complete your Entitlement and Acceptance Form in accordance with the instructions detailed on that form and send it, together with the application monies appropriate to your application, to the Share Registry making sure that the completed Entitlement and Acceptance Form and application monies are received by the Share Registry by 5pm (local time) on the Closing Date or (ii) pay the application monies appropriate to your application in accordance with the electronic payment instructions detailed on your Entitlement and Acceptance Form so that your application monies are received by the Share Registry by 5pm (local time) on the Closing Date.

Please note that the Share Registry’s mailing address and the payment & acceptance methods that you (i.e. depending on whether your registered address is in Australia, New Zealand or South Africa) will need to follow are specified on the Entitlement and Acceptance Form.

2.4 Exercise your Entitlement in full and apply for Additional New Shares³⁷

If you wish to exercise all of your Entitlement and also apply for Additional New Shares, either (i) complete your Entitlement and Acceptance Form in accordance with the instructions detailed on that form (including by also specifying the number of Additional New Shares that you wish to apply for) and send it, together with the application monies appropriate to your application, to the Share Registry making sure that the completed Entitlement and Acceptance Form and application monies are received by the Share Registry by 5pm (local time) on the Closing Date or (ii) pay the application monies appropriate to your application in accordance with the electronic payment instructions detailed on your Entitlement and Acceptance Form so that your application monies are received by the Share Registry by 5pm (local time) on the Closing Date³⁸.

Please note that the Share Registry’s mailing address and the payment & acceptance methods that you (i.e. depending on whether your registered address is in Australia, New Zealand or South Africa) will need to follow are specified on the Entitlement and Acceptance Form.

³⁶ Your interest in the Company will be diluted in proportion with the extent of your renunciation. Any renounced Entitlement will lapse and you will not receive any value for any such Entitlement.

³⁷ Additional New Shares will only be allocated to Eligible Shareholders if there is a Shortfall. The allocation of Additional New Shares (if any) is subject to the Company’s absolute discretion.

³⁸ If you pay your application monies electronically you do not also need to complete and send your Entitlement and Acceptance Form to the Share Registry.

For personal use only

2.5 Sell some or all of your Rights either on-market or privately

Sale by Eligible Shareholders in Australia of Rights on-market

If you decide to sell some or all of your Rights³⁹ on-market on ASX, you should instruct (and provide any requested information to) your stockbroker⁴⁰.

Please note that the price obtainable for Rights may rise and fall over the Rights trading period and will depend on numerous factors including the supply of and demand for Rights and the prevailing price of Shares relative to the Issue Price.

There is no guarantee that there will be a liquid market in the Rights (noting that any such illiquidity will impact your ability to sell your Rights and the price you may be able to achieve).

Eligible Shareholders in South Africa should refer to Section 2.8.

Sale by Eligible Shareholders in Australia of Rights privately

If you wish to transfer all or part of your Entitlement other than on-market on ASX, you must forward a completed “Renunciation and Transfer Form” together with the Entitlement and Acceptance Form and the transferee’s application monies (i.e. the application monies that correspond to the number of New Shares they wish to subscribe for by exercising the Rights that they acquired from you) to the Share Registry before the Closing Date.

If you hold broker sponsored securities, you should request a Renunciation and Transfer Form from your stockbroker. If you hold issuer sponsored securities, you can obtain a Renunciation and Transfer Form by calling the Share Registry on 1300 850 505 (if calling from within Australia), on +61 (3) 9415 4000 (if calling from within New Zealand) during business hours Monday to Friday (Sydney time).

If you transfer your Rights, you may receive a higher or lower amount than a Shareholder who sells their Rights at a different time (or who sells them on-market). You may only transfer your Rights to a purchaser who qualifies as an “Eligible Investor”.

Eligible Shareholders in South Africa should refer to Section 2.8.

³⁹ A reference in this Offer Booklet to the “Rights” is a reference to the tradeable securities issued by the Company to Eligible Shareholders entitling them (or, if those securities are sold, the holder of those securities (provided that the holder is an Eligible Investor)), to subscribe for a corresponding number of New Shares at the Issue Price and any such reference includes a reference to “Letters of Allocation”.

⁴⁰ The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade their Rights (whether on the basis of confirmation of the allocation provided by the Company, the Share Registry, the JLMs or otherwise) before they receive their Entitlement and Acceptance Form or who otherwise trade or purport to trade Rights in error.

2.6 Exercise of Rights acquired

If you acquired your Rights on-market (and provided that you are an Eligible Investor) you will be able to exercise the Rights that you acquired to subscribe for a corresponding number of New Shares by completing a “Standard Rights Acceptance Form” (available from the Share Registry) and paying the application monies that correspond to the number of New Shares you wish to subscribe for.

If you acquired your Rights off-market (and provided that you are an Eligible Investor) you must ensure that the seller of those Rights forwards a completed “Renunciation and Transfer Form” together with the Entitlement and Acceptance Form and your application monies (i.e. the application monies that correspond to the number of New Shares that you wish to subscribe for) to the Share Registry before the Closing Date⁴¹.

2.7 Not take up any of your Entitlement

If you do not wish to accept any part of your Entitlement, you do not need to take any further action⁴².

2.8 Further information for Eligible Shareholders in South Africa

Certificated Shareholdings

If you are an Eligible Shareholder in South Africa and you hold your interest in Shares in “certificated” form and you do not wish to subscribe for all or part of your Letter of Allocation⁴³, you may either dispose of all or part of or renounce all or part of your Letter of Allocation.

If you wish to dispose of all or part of your Letter of Allocation, you must complete Form A in the enclosed Form of Instruction and return it to the Transfer Secretaries (details of which are shown on the Form A) so that it is received by no later than 12pm (Johannesburg time) on 31 October 2022.

The Transfer Secretaries will endeavour to sell all or part of your Letter of Allocation on JSE on your behalf and to remit the net proceeds thereof in accordance with your instructions. However, neither the Transfer Secretaries nor the Company will have any obligation or will be responsible for any loss or damage whatsoever in relation to or arising from the timing of any such sale, the price obtained or the failure to dispose of such Letter of Allocation.

⁴¹ The seller of the Rights may request a Renunciation and Transfer Form by contacting their stockbroker or the Share Registry.

⁴² Your proportionate interest in the Company will be diluted in proportion with the extent of your renunciation. You will not receive any value for any Entitlement that is renounced in such circumstances.

⁴³ As noted elsewhere, a reference in this Offer Booklet to your “Rights” (or your “Entitlement”) includes, as the context requires, a reference to your “Letters of Allocation”.

If you wish to renounce all or part of your Letter of Allocation in favour of a renounee, you must complete Form B in the enclosed Form of Instruction and the renounee must complete Form C in the enclosed Form of Instruction and return those Forms to the Transfer Secretaries (details of which are included on the relevant Form) such that they are received by no later than 12pm (Johannesburg time) on the Record Date.

Dematerialised Shareholdings

If you are an Eligible Shareholder in South Africa and you hold your interest in Shares in “dematerialised” form and you do not wish to subscribe for all or part of your Letter of Allocation, you may either dispose of all or part of or renounce all or part of your Letter of Allocation.

If you wish to dispose of all or part of your Letter of Allocation, you should make the necessary arrangements with your Broker or Central Securities Depository Participant (**CSDP**) in the manner stipulated in the custody agreement governing the relationship between yourself and your Broker or CSDP.

If you wish to renounce all or part of your Letter of Allocation in favour of a renounee, you should make the necessary arrangements with your Broker or CSDP in the manner stipulated in the custody agreement governing the relationship between yourself and your Broker or CSDP.

2.9 Payment for New Shares

The Issue Price for each New Share subscribed for is payable on application. Application monies received will be held on trust for applicants until the issue of the New Shares.

Any application monies received for more than your final allocation of New Shares will be refunded (except where the amount is less than A\$5.00, in which case it will be retained) by the Company on or about 9 November 2022.

No interest will be paid by the Company on any application monies received or refunded. Interest earned on application monies will be for the benefit of the Company.

2.10 Entitlement and Acceptance Form is binding

A completed and lodged Entitlement and Acceptance Form (along with any necessary documentation required to be provided with the Entitlement and Acceptance Form) will constitute a binding offer to subscribe for New Shares under the Rights Issue⁴⁴.

⁴⁴ If the Entitlement and Acceptance Form (or Form of Instruction and/or ancillary or related Forms) is not completed correctly, it may still be treated by the Company as a valid application.

Accordingly, by completing and lodging an Entitlement and Acceptance Form (or by paying your application monies electronically) you will be deemed to have represented to the Company that you (and any person on whose behalf you are acting):

- (a) have full legal capacity and power to perform all of your obligations under the Entitlement and Acceptance Form;
- (b) agree to provide (or direct your nominee or custodian to provide) any requested substantiation of your holding of Shares on the Record Date;
- (c) authorise the Company to register you as the holder of the number of New Shares actually issued to you on completion of the Rights Issue;
- (d) agree to be bound by the terms of the Rights Issue, the Entitlement and Acceptance Form and the Company's constitution;
- (e) acknowledge that once the Company receives your Entitlement and Acceptance Form or any application monies, you may not withdraw your application or funds provided except as allowed by law;
- (f) agree to apply for and be issued with up to the number of New Shares specified by you in the Entitlement and Acceptance Form or for which you have submitted payment of any application monies;
- (g) authorise the Company, the Share Registry, the Joint Lead Managers and any of their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you;
- (h) declare that you (unless you purchased your Rights) were the registered holder of the number of Shares indicated on your Entitlement and Acceptance Form as being held by you on the Record Date;
- (i) acknowledge that the information contained in this Offer Booklet and your Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you, given your investment objectives, financial situation or particular needs;
- (j) acknowledge that an investment in the Company is speculative and involves many risks (many of which are outside of the control of the Company and the Directors) and that any such investment may result in the loss of some or all of your invested capital;
- (k) acknowledge that neither the Company, nor the Joint Lead Managers, or any of their respective related bodies corporate, affiliates, directors, officers, employees, agents, consultants or advisers, guarantees the performance of the Company (or of the New Shares) or the repayment of capital;

- For personal use only
- (l) authorise the Company (or any person acting on its behalf) to correct any error in your Entitlement and Acceptance Form and, furthermore, you acknowledge that the Company's corrections, amendments, decisions and/or discretions in this regard are final and binding on you;
 - (m) acknowledge that the Company reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed, is not accompanied by the correct application monies or that is received after the Closing Date;
 - (n) are not in the United States and/or are not otherwise a person (such as a "US person") to whom it would be illegal to make an offer or issue of (or a person who is not eligible to acquire Rights to subscribe for) New Shares under any applicable laws and regulations;
 - (o) are not a resident of the United Kingdom or of the United States;
 - (p) represent and warrant that you are and that you are eligible to participate in the Rights Issue as an Eligible Shareholder and/or as an Eligible Investor and that there has been no (and will not be any) breach of any applicable laws or regulatory requirements in relation to you or your application;
 - (q) acknowledge that none of the Rights and/or New Shares have not been, or will be, registered under the US Securities Act (or the securities laws of any State or other jurisdiction in the US) and accordingly, the Rights and/or New Shares may not be offered, sold or otherwise transferred, except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws; and
 - (r) undertake that if in the future you decide to sell your Rights and/or New Shares on ASX, AIM (if applicable) or JSE that you will only do so in regular way transactions where neither you nor any person acting on your behalf know, or have reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States.

3. GENERAL INFORMATION

3.1 Risks

An investment in the securities the subject of the Rights Issue should be regarded as a highly speculative investment. Accordingly, an Eligible Investor who is considering whether to participate in the Rights Issue should (i) carefully consider all of the disclosures made by the Company (most of which are available at www.asx.com.au) and the risks associated with any investment in the Company (some of which are set out in Schedule 4), (ii) carefully consider the merits of such an investment in the context of their individual risk profile, investment objectives and financial circumstances and (iii) consult their stockbroker, accountant, financial adviser, solicitor, taxation adviser or other independent professional adviser (and do so before deciding whether to participate in the Rights Issue).

Eligible Investors should also be aware that there are many risks associated with investment in the securities of companies listed on a stock exchange. In almost all cases, the value of listed securities can be expected to fluctuate (meaning, in the Company's case, that the prevailing price of Shares on ASX, AIM or JSE may be higher or lower than the Issue Price) depending on various factors including the general condition of the local economy, general worldwide economic and political conditions, changes in government policies, taxation and regulatory changes, investor sentiment, movements in interest rates, industrial disruption, environmental impacts, international competition, and other many other factors any of which may affect the listed company's financial performance and condition and/or the price or value of its securities⁴⁵.

The information in this Offer Booklet does not constitute a recommendation to subscribe for any of the securities in the Company and nor does this Offer Booklet purport to contain all of the information that you may require to evaluate a possible application for any such securities. Prospective investors should note that no securities issued by the Company carry any guarantee with respect to the payment of dividends, the return of capital or their post-issue market price or liquidity profile.

3.2 Tax consideration for investors

The Directors consider that it is not appropriate to give advice regarding the taxation consequences of subscribing for (or acquiring) any of the securities the subject of the Rights Issue or the subsequent exercise or disposal of any such securities. The Company, its Directors and its advisers do not accept any responsibility or liability for any taxation consequences applicable to any prospective investor and as such the Directors recommend that all prospective investors consult their own tax advisers before participating in the Rights Issue.

⁴⁵ In the case of the Company, most of these variables are beyond the control of the Company and the Directors.

3.3 Underwriting

The Company has agreed to pay the Underwriter a 1% management fee and a 1.5% underwriting fee (in each case calculated on the total amount to be raised under the Rights Issue) for managing and underwriting the Rights Issue, respectively. These fees will be split evenly between the Joint Lead Managers.

Further information in relation to the above referred fee arrangements (including for the purposes of Exception 2 in Listing Rule 10.12) is included in the Appendix 3B for the Rights Issue which was released to the market by the Company on 27 September 2022.

Please see Schedule 2 for a summary of the material terms of the Underwriting Agreement.

3.4 Corporate adviser fees

The Company has agreed to pay Ares Capital Corporate Finance a 2% management fee (calculated on the total amount to be raised under the Rights Issue) for the provision of corporate advisory and related strategic advice to the Company in relation to the Rights Issue.

3.5 Appointment of nominee

The Company has appointed a nominee affiliated with the Underwriter and will issue that nominee with the Rights which would otherwise have been available for subscription by Ineligible Shareholders (i.e. had they been Eligible Shareholders). The nominee has been approved by ASIC in accordance with section 615 of the Corporations Act.

The Rights issued to the ASIC approved nominee will then be offered for sale and, to the extent that there is any value (referred to as a “premium”) realised from that sale, that premium (less any expenses associated with that sale) will be remitted pro rata to all Ineligible Shareholders (and regardless of which register the Ineligible Shareholder holds their Shares or where (or to whom) the Rights were sold).

Any Ineligible Shareholder who participates in the direct placement of New Shares referred to in Sections 1.12 and 1.13 will not be entitled to receive a pro rata allocation of any premium realised from the sale of Rights to the extent of that participation (i.e. because the “Rights” that would have otherwise been issued to those “placees” will be deemed by the Company to have lapsed).

3.6 No cooling-off rights

Cooling-off rights do not apply to an investment in New Shares (or, if applicable, to an investment in Additional New Shares). This means that applicants cannot withdraw their application for New Shares (and, if applicable, for Additional New Shares) once it has been received by the Company.

3.7 Brokerage

No brokerage is payable by Eligible Shareholders who accept their Entitlement or by Eligible Investors who exercise any Rights acquired (whether on-market or otherwise). No stamp duty is payable in Australia as a consequence of the acquisition of any Rights or the exercise of any Entitlements.

3.8 Directors' interest in Shares

As at the date of this Offer Booklet, none of the Directors (other than Mr Senosi) have a Relevant Interest in any Shares. As noted in Section 1.8 however, and because Mr Senosi owns and controls SGIH, Mr Senosi has a Relevant Interest in the 38,363,909 Shares held by SGIH.

3.9 Authorisation

For and on behalf of

MC Mining



Godfrey Gomwe
Managing Director & Chief Executive Officer

SCHEDULE 1 – CONSOLIDATED RIGHTS ISSUE TIMETABLE

Event	ASX	JSE	Date
	Trading Days		
Rights Issue announced (before market open) (ASX & JSE)	T + 0	D - 11	Tuesday, 27 September 2022
Offer Booklet sent to (certificated) Eligible Shareholders (JSE)	T + 7	D - 4	Thursday, 6 October 2022
Last day of cum-entitlement trading in Shares (JSE)	T + 8	D - 3	Friday, 7 October 2022
Shares trade "Ex" and trading in LA's ⁴⁶ begins (JSE)	T + 9	D - 2	Monday, 10 October 2022
No transfers between registers commences	T + 9	D - 2	Monday, 10 October 2022
Shares trade "Ex" (ASX)	T + 10	D - 1	Tuesday, 11 October 2022
Rights trading begins (deferred settlement) (ASX)	T + 10	D - 1	Tuesday, 11 October 2022
Offer Booklet sent to (dematerialised) Eligible Shareholders (JSE)	T + 11	D + 0	Wednesday, 12 October 2022
Record Date (7pm, local time) (ASX & JSE)	T + 11	D + 0	Wednesday, 12 October 2022
Offer Booklet sent (via email) to Eligible Shareholders (ASX)	T + 12	D + 1	Thursday, 13 October 2022
Opening Date (ASX & JSE)	T + 12	D + 1	Thursday, 13 October 2022
Rights Issue online applications open (ASX)	T + 12	D + 1	Thursday, 13 October 2022
Transfers between registers resumes	T + 12	D + 1	Thursday, 13 October 2022
Offer Booklet sent (via post) to Eligible Shareholders (ASX)	T + 13	D + 2	Friday, 14 October 2022
Letter to Ineligible Shareholders sent (via post) (ASX)	T + 13	D + 2	Friday, 14 October 2022
Rights trading (deferred settlement) ends (ASX)	T + 13	D + 2	Friday, 14 October 2022
Rights trading (normal settlement) begins (ASX)	T + 14	D + 3	Monday, 17 October 2022
Rights trading ends (ASX)	T + 22	D + 11	Thursday, 27 October 2022
Deferred settlement trading of New Shares begins (ASX)	T + 23	D + 12	Friday, 28 October 2022
Last day to trade LA's/LA's trading ends at close of trading (JSE)	T + 24	D + 13	Monday, 31 October 2022
Last day to extend the Closing Date (ASX)	T + 24	D + 13	Monday, 31 October 2022
List and trading of New Shares begins (JSE)	T + 25	D + 14	Tuesday, 1 November 2022
Closing Date (5pm, local time) (ASX & JSE)	T + 27	D + 16	Thursday, 3 November 2022
Record date (JSE)	T + 27	D + 16	Thursday, 3 November 2022
Issue date (JSE)	T + 28	D + 17	Friday, 4 November 2022
Announce results of Rights Issue (ASX & JSE)	T + 28	D + 17	Friday, 4 November 2022
Deferred settlement trading of New Shares ends (ASX)	T + 30	D + 19	Tuesday, 8 November 2022
Issue date (ASX)	T + 30	D + 19	Tuesday, 8 November 2022
Normal settlement trading of New Shares begins (ASX)	T + 31	D + 20	Wednesday, 9 November 2022

⁴⁶ The Company's (existing) Shares trade on ASX (and AIM) under the ticker code "MCM" and on JSE under the ticker code "MCZ". The ISIN for the Rights/LA's is/will be AU000000MCM9.

SCHEDULE 2 – SUMMARY OF UNDERWRITING AGREEMENT

Conditions precedent

The obligation of the Underwriter to underwrite the Rights issue is subject to the satisfaction of certain conditions precedent. These conditions precedent include:

- the preparation and release by the Company of all transaction documents necessary to give effect to the Rights Issue (together, the **Offer Documents**);
- all due diligence investigations being undertaken and completed to the satisfaction of the Underwriter;
- receipt by the Company of all necessary regulatory, statutory and listing rule approvals or consents; and
- receipt by the Underwriter of certain (generally) customary opinions and reports from the Company and its advisers.

Warranties and indemnities

The Underwriting Agreement contains a number of representations and warranties by and undertakings from the Company in favour of the Underwriter that are considered to be standard for an agreement of this nature. Furthermore, the Company has (subject to certain limitations) agreed to indemnify the Underwriter and its “Related Bodies Corporate” (as that term is defined in the Corporations Act) and each of their respective directors, officers, employees, contractors, advisers and representatives against any and all losses incurred in connection with the Rights Issue.

“Unqualified” termination events

The Underwriter may terminate its obligations under the Underwriting Agreement if any of the following termination events occurs:

- (defective disclosure) the Underwriter forms the view (acting reasonably) that a statement contained in this Offer Booklet is or becomes misleading or deceptive or likely to mislead or deceive (including by omission);
- (defective disclosure) an additional cleansing notice under section 708AA(12) of the Corporations Act is required to be given by the Company to ASX or the cleansing notice already given by the Company to ASX is or becomes defective;
- (BFS) the Bank Feasibility Study in relation to the Makhado Project and any mine plan, production guidance or financial forecast based thereon, is withdrawn or materially and adversely amended by the Company;
- (new circumstance) a new circumstance occurs which would have been required by the Corporation Act to be disclosed by the Company had that new circumstance arisen before the Offer Booklet released;

- (public information) a statement in any of the Offer Documents in relation to the Company (or any of its subsidiaries), its affairs or the Rights Issue is or becomes misleading or deceptive or likely to mislead or deceive;
- (material adverse change) any material adverse change in the assets, liabilities, financial condition, position, performance or prospects of the Company (or any of its material subsidiaries) occurs;
- (market fall) the S&P/ASX Resources 200 Index, the FTSE/JSE Resources 20 Index and/or the FTSE/JSE Mid Cap Index by 10% or more from its level as at the close of trading on the day before the date of the Underwriting Agreement;
- (coal price fall) the API-4 coal price falls below US\$200 per tonne at any time before the first issue of New Shares under the Rights Issue;
- (KMP changes) there is a change to the key management personnel of the Company (**KMP**), or a prospective change is announced with regards to the key management personnel; or
- (prosecution) either of the following occur:
 - a director of the Company (or any of its KMP) is charged with an indictable offence or is found by a court of competent jurisdiction to have engaged in fraudulent conduct;
 - any government agency commences any public proceedings against the Company or any of the Directors, or announces that it intends to take any such action; or
- (debt facilities) the Company or any of its subsidiaries breaches, or defaults under, any provision, undertaking, covenant or ratio of a debt/financing facility which has or is likely to have a material adverse effect on the Company.

Qualified termination events

The Underwriter may terminate its obligations under the Underwriting Agreement if any of the following events occur and that event has, or is likely to have (in the underwriter's reasonable opinion), a material adverse effect on the assets, liabilities, financial condition, position, performance or prospects of the Company, the success of the Rights Issue, the ability of the Underwriter to market or settle the Rights Issue or any investor's decision to invest in New Shares:

- (litigation) litigation, arbitration, administrative or industrial proceedings of any nature is commenced against the Company or any of its subsidiaries, other than any claim disclosed to the market, in writing to the Underwriter prior to the date of the Underwriting Agreement or in this Offer Booklet;
- (contravention) there occurs a contravention by the Company of any provision of its constitution, the Corporations Act, the ASX Listing Rules or any other applicable regulation or legislation or any requirement of ASIC or any other relevant regulatory body;

For personal use only

- (representations and warranties) an obligation, undertaking, representation or warranty made or given by the Company under the Underwriting Agreement is breached or proves to be, or has been, or becomes, untrue or incorrect or misleading or deceptive;
- (offer to comply) the Company, any Offer Document or any aspect of the Rights Issue, does not or fails to comply with the Company's constitution, the Corporations Act, the ASX Listing Rules or any other applicable regulation or legislation or any requirement of ASIC or any other relevant regulatory body;
- (information) the information provided by or on behalf of the Company to the Underwriter in relation to the Rights Issue, the due diligence investigations in respect thereof or the Offer Documents, is false, misleading or deceptive or likely to mislead or deceive (including by omission);
- (material contracts): any material contract, deed or other agreement to which the Company (or any of its subsidiaries) is or becomes party to (including any offtake agreement) is terminated, rescinded, altered or amended without the prior written consent of the Underwriter or is found to be void or voidable; or
- (political, financial or economic conditions) the occurrence of any adverse change or disruption to political (including geopolitical), financial or economic conditions or financial markets in any member of the North Atlantic Treaty Organisation or in Finland, Sweden, Russia, Ukraine, Africa, Australia, New Zealand, the United States, Canada, South Africa, the United Kingdom, China, Hong Kong, Singapore, Japan or a national emergency is declared by any of the governments in of any of the foregoing countries.

SCHEDULE 3 – POTENTIAL IMPACT ON CONTROL

The table below shows the potential maximum sub-underwriting allocations of the various sub-underwriters:

Sub-underwriter	Existing Shares held	Percentage of Shares	Entitlement under RI	Maximum Allocation ⁴⁷	Percentage of RI	Maximum contribution
SGIH	38,363,909	19.4%	38,824,276	51,128,010	45.0%	A\$17,990,457
Dendocept	2,841,838	1.4%	2,875,940	22,547,815	12.7%	A\$5,084,751
Golden Eagle	Nil	Nil	Nil	44,163,917	22.1%	A\$8,832,783
Pacific Goal	Nil	Nil	Nil	39,741,498	19.9%	A\$7,948,300
Golden Archer	Nil	Nil	Nil	745,272	0.4%	A\$149,054
Total	41,205,747	20.8%	41,700,216	158,326,512	100%	A\$40,005,346

The table below shows a further breakdown of the control scenario analysis referred to in Section 1.8:

Other Shareholders participation →	0%	20%	40%	60%	80%	100%
Shares issued to "other" ⁴⁸ Shareholders	Nil	31,665,303	63,330,605	94,995,907	126,661,210	158,326,512
Amount raised via other Shareholders	Nil	A\$6,333,061	A\$12,666,121	A\$18,999,181	A\$25,322,242	A\$31,655,302
Shares issued to the sub-underwriters	200,026,728	168,361,425	136,696,123	105,030,821	73,365,518	41,700,216
Amount raised via sub-underwriters	A\$40,005,346	A\$33,672,285	A\$27,339,225	A\$21,006,164	A\$14,673,104	A\$8,340,043
Combined sub-underwriters	60.7%	52.7%	44.7%	36.8%	28.8%	20.8%

⁴⁷ This column shows the maximum sub-underwriting allocation each sub-underwriter may receive depending on the extent of the Shortfall (if any).

⁴⁸ A reference in this table to "other" Shareholders is a reference to all Shareholders other than a Shareholder who is also a sub-underwriter.

SCHEDULE 4 – KEY RISKS

This Section describes some of the potential risks associated with the Company's business and with an investment in the New Shares. It does not purport to list every risk that may be associated with the Company and/or an investment in the New Shares (either now or in the future). The occurrence and/or consequence of some of the risks described in this Section are partially or completely outside of the control of the Company and the Directors.

The selection of risks set out in this Section is based on an assessment of a combination of the probability of the risk occurring, the Company's ability to mitigate that risk and the impact on the Company of the risk if it were to occur. That assessment is based on the knowledge of the Company and the Directors as at the date of this Prospectus. Please note however that there is no guarantee or assurance that the importance of different risks will not change or that other risks will not emerge.

Before applying for New Shares under this Offer Booklet, Eligible Investors should satisfy themselves that they have sufficient understanding of the risks to which the Company and the New Shares are subject and should consider whether the New Shares being offered under the Rights Issue are a suitable investment for them having regard to their own personal circumstances, investment objectives, financial situation and tax position.

If Eligible Investors are uncertain as to whether the New Shares represent a suitable investment for them, they should seek professional advice from their stockbroker, lawyer, accountant or other independent and appropriately qualified professional adviser before deciding whether to invest. Investors should also note that past performance and historical results are not an indication of future expected performance or future expected results.

Company-specific risks

Mineral resources and reserves uncertainty

Estimating the quantity and quality of coal resources and reserves is an inherently uncertain process. Any mineral resources and reserves (if applicable) the Company has stated are and will be estimates and may not provide to be an accurate indication of the quantity or quality of coal the Company will be able to extract. The Company has engaged external independent consultants to update the mineral resource in accordance with the JORC code. There are risks associated with such estimates, including that coal mined may be of a different quality, tonnage, grade or strip ratio from the estimates. If any of these factors proves to be less than is estimated the Company, its business and the value of its Shares may be materially adversely impacted. Furthermore, the Company's potential future earnings, profitability and commercialisation of coal resources will also be dependent on the successful discovery and subsequent extraction of coal resources to the extent that may be required to fulfil all commercial obligations to which the Company is bound to comply.

Uncertainty of development of projects

The process of developing and constructing the Makhado Project (and any of the Company's other development projects) is (are) subject to certain risks, including in relation to the anticipated timing and cost of construction, the availability of funding to support construction, and the receipt of any additional permits. The eventuality of any of these risks may adversely affect the Company's operational performance and financial position (and therefore, the price or value of its securities).

The Company's medium and long-term plans at the Makhado Project and other projects are dependent upon being able to convert known mineralisation into mineable reserves and then being able to extract these mineable reserves in a safe and profitable manner. There is a risk that unexpected challenges or delays will arise, or that coal quality and quantity results will differ from the Company's estimates, increasing the costs of production and/or resulting lower revenue.

Coal prices and demand

The Company's projected future profits will be derived from the production, marketing and sale of the coal it produces from its various projects. In developing its business and project plans, the Company has made certain assumptions regarding the price and the demand for coal. Some or all of the Company's underlying assumptions may or may not materially change and actual coal prices and demand may differ materially to those expected by the Company. If the resulting price or demand for the Company's coal is less than expected, this may impact the operating and financial performance of the Company and consequently, the price or value of the Company's securities.

The price that the Company will receive for its coal (and the quantity that the Company is able to sell) depends on numerous factors including but not limited to the outcome of future sales contract negotiations, the level of economic activity, changes in FX rates, changes in energy (and steel) demand, changes in the supply of seaborne coal, changes in international freight rates, the price of coal substitutes, market changes in coal quality requirements and/or government regulation which restricts the use of coal, imposes taxation on the resources industry or other otherwise affects the price or volume of coal. All of these factors are out the Company's control and may have a material adverse impact on coal prices and demand.

Capital and operating costs

The Company's operational and financial position may vary with fluctuations in capital and operating costs. An unanticipated increase in the Company's capital or operating costs could have a material impact on the Company's profitability and/or its financial condition (and any such increase could be expected negatively impact the price or value of the Company's securities). The Company's main production expenses include but are not limited to contractor costs, construction materials, personnel and energy costs. Material changes in the costs of the Company's mining and processing operations as well as its capital costs could occur as a result of unforeseen events (including local and international economic and political events), the occurrence of which may also adversely affect the Company's financial performance and condition. In past resource cycles, operating and capital costs have tended to increase as commodity prices have increased.

Additional capital requirements

The Company will likely require further capital in addition to the amount raised under the Rights Issue (including because it may be unable to generate sufficient free cash flow from operations to meet any future principal and interest payments on any of its currently outstanding debt). Any additional (non-pro rata) equity financing will dilute Shareholdings and any additional (or new) debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its development projects. There is however no guarantee that the Company will be able to secure any additional funding (whether debt or equity) or be able to secure funding on terms favourable to the Company.

In particular, Eligible Investors are cautioned that A\$23.54 million (equivalent to approximately ZAR 274 million) in debt owing to the Industrial Development Corporation of South Africa Limited (IDC) **is due for repayment on or before 30 November 2022**. While the Company is currently negotiating with the IDC in relation to a possible extension of the repayment date (and with other lenders in relation to a possible refinancing or restructuring of the total amount owing to the IDC) there can be no certainty that the Company will be able to reach an agreement with the IDC in relation to the extension of the maturity date or be able to refinance the amount owing to the IDC with another (or other) lender/s either on terms acceptable to the Company or at all.

Licences and permits

The Company requires certain licences, permits and approvals to develop the Makhado Project and other projects. Such licences, permits and approvals may expire periodically and will be subject to renewal. Obtaining and maintaining the numerous permits issued by the various government agencies and regulatory bodies that impose strict regulations in connection with coal mining may take longer than currently planned and affect the Company's planned development and production schedule. Any such material delays could be expected to adversely impact the price or value of the Company's securities.

There are also a number of conditions and regulatory requirements that the Company must satisfy with respect to its tenements to maintain its interest in those tenements in good standing, including meeting specified expenditure and reporting commitments, as well as other conditions requiring ongoing compliance. Consequently, the Company could lose title to, or its interest in, these assets if the imposed conditions are not met or if insufficient funds are available to meet expenditure commitments. If any of these risks materialise, the Company's operational and financial position (as well as the price or value of its securities) may be adversely affected.

Reliance on key customers

The Company may obtain a material portion of its revenue from certain large off-takers. The Company's ability to receive payment for coal sold and delivered depends on the continued creditworthiness of its customers. The loss of any large off-takers and any inability to collect payment from customers for coal sold could adversely affect the Company's operational results and financial condition.

Environmental risks

Environmental risks are inherent in coal mining operations. The Company seeks to conduct its operations and activities to the highest standard of environmental obligations, including in compliance with all relevant environment laws and regulations. The Company seeks to adopt practices which the Company believes are appropriate to minimise the potential of causing environmental damage in all the Company's operations, but no assurance can be made that the Company will not be affected by environmental claims or issues in the future.

The Company is unable to predict the effect on its operations of any additional or amended environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations on any of its tenements.

Dilution and control

Upon completion of the Rights Issue, the number of Shares will increase from 197,654,870 to approximately 397,681,598. If a shareholder does not participate in the Rights Issue, to the extent to which the shareholder does not participate, their holdings will be diluted. The Rights Issue may have an effect on control of the Company as detailed in Section 1.8.

Foreign exchange

Significant changes in the Australian Dollar, South African Rand and United States Dollar exchange rates may have a significant impact on the Company's ability to fund the capital expenditure required to construct the Company's projects. The majority of the Company's local expenses are incurred in South African Rand and anticipated sales may provide for payment in foreign currencies (principally in US dollars).

Investments in New Shares offered under the Rights Issue are made in Australian Dollars or South African Rand, however, the Company's financial position and results will be denominated in United State Dollars. As such, any investment in the Company will be subject to variations in the rate of exchange between these exchange rates as determined in the international markets.

Price of Shares

The price of Shares quoted on ASX and JSE will rise and fall and the Shares may trade above or below the Issue Price due to any number of factors, including general economic and financial conditions, investor sentiment (either specifically for small and medium capitalisation exploration companies or more generally (i.e. for the market more broadly)) and commodity prices.

Force majeure

Force majeure is a term used to refer to an event beyond the control of a party claiming that the event has occurred. Significant events – such as war, acts of terrorism, loss of power, cyber security breaches or natural disasters (such as earthquakes, fire or floods or the outbreak of epidemic disease) could all materially disrupt the Company's operations or otherwise harm its business.

General risks

Changes in or the occurrence of any of the following general risks may also significantly (and adversely) impact the Company, its performance and the value or market price of the New Shares being offered under the Rights Issue:

- economic conditions in Australia, South Africa and internationally;
- changes in fiscal and monetary policy by governments and monetary authorities;
- changes in tax and other laws (and changes in the manner in which those taxes and other laws are administered);
- natural disasters;
- COVID-19 virus;
- war or terrorist attacks;
- opposition of environmental or community groups to the Company's activities; and
- the inability of the Company to obtain or maintain any necessary regulatory approvals.

Equity market fluctuations

Investors are strongly advised to regard an investment in the Shares as a long-term proposition and to be aware that, as with any equity investment, substantial fluctuations in the value of their investment may occur. This means that the market price of Shares may decrease or increase from time to time.

Concluding remarks on risk

An investment in the New Shares must be regarded as a highly speculative investment. The above noted risk factors, along with others not mentioned in this Offer Booklet, may in the future materially (and adversely) affect the Company's financial and operational condition and the value of the New Shares. The New Shares being offered under the Rights Issue carry no guarantee with respect to the payment of dividends, the return of capital, the Company's performance (including in relation to its exploration results) or the market price or value of the New Shares.

CORPORATE DIRECTORY

<p>Registered Office & Website</p> <p>MC Mining Limited www.mcmining.co.za</p> <p><u>Australia</u></p> <p>Suite 8, 7 The Esplanade Mt Pleasant, WA 6153</p> <p>Telephone: +61 8 9316 9100 Facsimile: + 61 8 9315 5475 Email: perth@mcmining.co.za</p> <p><u>South Africa</u></p> <p>Ground Floor, Greystone Building Fourways Golf Park, Roos Street Fourways 2191</p>	<p>Registry Services</p> <p>Computershare Investor Services</p> <p><u>Australia</u></p> <p>Level 2, Reserve Bank Building 45 St Georges Terrace Perth, WA 6000</p> <p><u>United Kingdom</u></p> <p>The Pavilions, Bridgewater Road Bristol BS99 6ZZ</p> <p><u>South Africa</u></p> <p>Rosebank Towers, 15 Biermann Avenue Rosebank, 2196</p>
<p>Directors</p> <p>Mr Nhlanhla Nene Mr Ontiretse Senosi Mr Godfrey Gomwe Mr Khomotso Mosehla Mr An Chee Sin Mr Andrew Mifflin Mr Brian Zhen Mr Junchao Liu</p>	<p>Underwriter & Joint Lead Manager</p> <p>Morgans Corporate Limited</p> <p>Level 4, 50 Colin Street West Perth, WA 6005</p>
<p>Company Secretary</p> <p>Mr Tony Bevan</p> <p>Telephone: +61 8 9316 9100 Email: tony@endeavourcorp.com.au</p>	<p>Joint Lead Manager</p> <p>Adelaide Equity Partners Limited</p> <p>Ground Floor, 70 Hindmarsh Square Adelaide, SA 5000</p>
<p>NOMAD / Corporate Sponsor</p> <p>Strand Hanson</p> <p>26 Mount Row Mayfair, London W1K 3SQ</p>	<p>Solicitors</p> <p>K&L Gates LLP</p> <p>Level 31, 1 O'Connell Street Sydney, NSW 2000 Australia</p>

MC Mining Limited

ABN 98 008 905 388

For all enquiries:

Phone:



(within Australia) 1300 850 505
(outside Australia) 61 3 9415 4000

Web:



www.investorcentre.com/contact

MCM

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Make your payment:



See overleaf for details of the Offer and how to make your payment

Renounceable Rights Issue (the Offer) — Entitlement and Acceptance Form

Your payment must be received by 5pm (Sydney time), 3 November 2022

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

ASX will quote a market for rights between 11 October and 27 October 2022. Please refer to the Offer Booklet for details on how to renounce your rights.

Step 1: Registration Name & Offer Details

Details of your shareholding and Entitlement for this Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your controlling participant to notify a change of address.

Step 2: Make Your Payment

You can apply to accept either all or part of your Entitlement. If you take up your full Entitlement, you may also apply for Additional New Shares. Enter the number of New Shares you wish to apply for and the amount of payment for those New Shares.

By making your payment you confirm that you agree to all of the terms and conditions as detailed in the Offer Booklet dated 27 September 2022.

Choose one of the payment methods shown below.

BPAY®: See overleaf. You do not need to return the payment slip if you make a BPAY payment.

By Mail: Complete the reverse side of the payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to "**MC Mining Limited**" and cross "**Not Negotiable**". The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as dishonoured cheques may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

Turn over for details of the Offer →

Sale of your Entitlement in full by your Stockbroker

If you wish to sell your Entitlement in full, you should instruct your stockbroker personally and provide details as requested, which appear overleaf.

DO NOT forward your requests for sale to Computershare Investor Services Pty Limited.

Private sale of your Entitlement held on the Issuer sponsored sub-register

A Renunciation and Transfer Form must be used for an off market transfer of Entitlement. This form may be obtained from your stockbroker or Computershare Investor Services Pty Limited.

Sale of your Entitlement in part by your Stockbroker and take up the balance

If you wish to sell part of your Entitlement and take up the balance you should:

- Instruct your stockbroker personally and provide details as requested, which appear overleaf, **AND**
- Make payment using BPAY in order to take up the balance of your Entitlement **OR** send the payment slip to Computershare Investor Services Pty Limited with your cheque, bank draft or money order payment

MC Mining Limited Renounceable Rights Issue (the Offer)
Payment must be received by 5pm (Sydney time), 3 November 2022

© Registered to BPAY Pty Limited ABN 69 079 137 518

