



GMA CONTRACT UPDATE

Mineral Commodities Ltd (“MRC” or “the Company”) provides the following update on the dispute with GMA Garnet (USA) Corporation (“GMA Group”).

As announced on 12 June 2020, and further updated in the Company’s June 2020 Quarterly Report, a series of technical and general disputes have arisen with GMA Group regarding inter alia, stockpiled inventory quantities and other obligations under agreements between the parties.

A formal dispute resolution process that is provided for within the Offtake Agreement was initiated by both parties. The Company advises that it has received a Termination Notice from GMA Group for alleged material breaches of the Offtake Agreement.

The Company continues to seek advice on this matter. The Company does not accept that the Termination Notice is valid, including because it does not accept the alleged material breaches. Further, none of the matters the question of the dispute have been determined in accordance with the dispute resolution process. Notwithstanding this, the Company has met, and continues to meet, its contractual obligations under the Offtake Agreement.

The Company is currently commissioning its Northern Beach and Inland Strand mining operations that were subject of the recently granted Section 102 Expanded Mining Right. These mining areas sit outside the area the subject of the Offtake Agreement.

The Company has one of the highest grade garnet mining operations in the world, and has received strong interest for offtake for its future garnet production from these new mining areas.

ENDS

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About Mineral Commodities Ltd:

Mineral Commodities Ltd (ASX: MRC) is a global mining and development company with a primary focus on the development of high-grade deposits within the Mineral Sands and Battery Minerals sectors.

The Company is a leading producer of zircon, rutile, garnet and ilmenite concentrates through its Tormin Mineral Sands Operation, located on the Western Cape of South Africa. In October 2019, the Company completed the acquisition of Skaland Graphite AS, the owner of the world's highest-grade operating flake graphite mine and one of the only producers in Europe. The planned development of the Munglinup Graphite Project, located in Western Australia, builds on the Skaland acquisition and is a further step toward an integrated, downstream value-adding strategy which aims to capitalise on the fast-growing demand for sustainably manufactured Lithium-Ion Batteries.