



MRC AGREES SETTLEMENT TERMS WITH GMA GARNET

Mineral Commodities Ltd (“MRC” or “the Company”) is pleased to provide the following update on the settlement of the dispute with GMA Garnet (USA) Corporation and its related entities (“GMA Group”).

As referred to in announcements on 12 June 2020, 23 July 2020, 10 August 2020 and 17 August 2020, the Company and GMA Group (together “the parties”) have been involved in a dispute relating to a life-of-mine Garnet Offtake Agreement and related agreements between the parties, which resulted in MRC terminating the Offtake Agreement in its own right on the 14 August 2020.

The parties have agreed to settlement terms arising from the dispute and executed a Deed of Settlement and Release (Settlement Deed) which provides for the following:

1. Settlement of all outstanding issues, matters and disputes between the parties.
2. GMA to accept delivery of 750,000t representing all currently contracted Stockpiled Garnet Product of 670,000 tonnes of stockpiled garnet at Tormin (the “Tormin Product”) and a further 80,000 tonnes of Product stockpiled at the Saldanha Port holding area (Saldanha Product).
3. GMA Group to pay MRC **~US\$16.7 million**:
 - **US\$15.3M within 2 days of the execution of the Settlement Deed.**
 - **~US\$1.4M will follow on the shipment of the Saldanha Product.**
4. **The parties agree to enter into a new non-exclusive Offtake Agreement commencing 2021 for the supply of 100,000 tonnes per annum of garnet concentrate for three years with automatic annual renewals thereafter**, with a 6 month termination clause after the first 3 years with pricing to be in accordance with the terminated Offtake Agreement, and escalated annually with an ensuing review period after 3 years.
5. The parties will enter into a new Transport Agreement which will deal with the payment for relocation and transport of the Tormin Product to GMA’s Saldanha stockpiling facility.
6. The Parties will also enter into a new Lease Agreement to allow for the continuation of stockpiling of Tormin Product during the period of relocation and transport to Saldanha.

The Company’s Executive Chairman, Mr Mark Caruso commented: *“The settlement of these matters and the reinvigoration of our commercial relationship with GMA allows our Company to move forward with certainty as to our rights and obligations with our key offtake partner during these globally uncertain times with increased flexibility in our supply-side options for*

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the sale of our product mix. We thank GMA's new Executive Management for their genuine efforts in resolving this matter."

The Company looks forward to working with GMA Group as it continues to focus on commissioning the Northern Beaches and Inland Strand mining operations which were recently granted under a Section 102 Expanded Mining Right.

ENDS

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Authorised by the Executive Chairman and Company Secretary

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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.