



The Manager  
Market Announcements Office  
Australian Securities Exchange  
Level 40, Central Park  
152-158 St Georges Terrace  
PERTH WA 6000

5 July 2021

Dear Sir / Madam

**Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth)**

Mineral Commodities Limited (the **Company**) (ASX:MRC) is pleased to announce that it is undertaking a fully underwritten non-renounceable pro rata rights offer to raise up to approximately \$7.475 million (before costs) (**Rights Issue**).

The Company is also pleased to announce it has received commitments for a \$3.2 million (before costs) placement (**Placement**) through the issue of 22,850,000 fully paid shares in the capital of the Company (**Shares**) at an issue price of \$0.14 per Share. The Placement is expected to be completed later today, 5 July 2021.

Under the Rights Issue, all of the Company's shareholders who are registered holders of Shares on the Record Date, being 5.00pm (AEST) on 16 July 2021 (**Eligible Shareholders**) will be invited to subscribe for one (1) new fully paid Share (**New Share**) for every nine (9) Shares held at an issue price of \$0.14 (14 cents) per New Share (**Entitlement**). There is also the ability for Eligible Shareholders (apart from the Underwriters, defined below) to subscribe for New Shares in excess of their Entitlements.

The Rights Issue is being fully underwritten by certain existing shareholders of the Company. Au Mining Limited (**Au Mining**), the Company's largest shareholder has agreed to underwrite to a maximum of \$4.61 million and Mr David Baker, Chairman of the Company along with eight (8) other entities have agreed to underwrite, in total, the balance of \$2.87 million (together, the **Underwriters**). The Company notes that Au Mining subscribed for \$2 million worth of New Shares under the Placement, being 14,285,714 Shares.

Details of the Underwriters, and the potential impacts to voting power of certain Underwriters, is set out below.

On completion of the Rights Issue, the Company will be well-funded having raised \$10.6 million (before costs) to complement existing cash reserves so as to continue with its planned exploration activities, Phase 1 Tormin PBC upgrades, installation of a 4th Stage Cleaner Circuit at Skaland and for general working capital.

The Company hereby notifies ASX under section 708AA(2)(f) of the *Corporations Act 2001 (Cth)* (the **Act**) as modified by the Australian Securities and Investments Commission Corporations (Non-Traditional Rights Issues) Instrument 2016/84.

The Company confirms that:

- (a) the New Shares will be offered for issue without disclosure to investors under Part 6D.2 of the Act;
- (b) as at the date of this notice, the Company has complied with:
  - (i) the provisions of Chapter 2M of the Act as they apply to the Company; and
  - (ii) section 674 of the Act;
- (c) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Act which is required to be set out in this notice under section 708AA(7)(d) of the Corporations Act; and
- (d) the potential effect the Rights Issue will have on the control of the Company, and the consequences of that effect, is set out below.

### Potential Control Effect

The potential effect the Rights Issue will have on the control of the Company, and the consequences of that effect will depend on a number of factors including the number of New Shares taken up by Eligible Shareholders.

The Rights Issue is fully underwritten by the Underwriters. Each of the Underwriters have entered into a separate underwriting agreement in respect of the Rights Issue.

One of the Underwriters, Au Mining, is presently a substantial shareholder of the Company and is not a related party of the Company for the purpose of the Corporations Act. Mr David Baker, Chairman of the Company, is a related party of the Company for the purpose of the Corporations Act, and has also agreed to partially underwrite the Rights Issue.

The potential control effect of the underwriting of the Rights Issue by AU Mining and Mr David Baker is set out in the table below. Also set out below are the various strategies that the Company has implemented to reduce the potential control effect.

<i>Underwriter</i>	<i>Current Voting power</i>	<i>Placement</i>	<i>Entitlement</i>	<i>Underwriting (Total, including Entitlements)</i>	<i>Maximum voting power</i>
Au Mining	114,479,618 25.09%	14,285,714	14,307,259	32,915,736	161,681,067 30.28%
Mr David Baker	250,000 0.0005%	Nil	250,000	1,911,900	2,161,900 0.405%

#### Notes:

1. Assumes shares on issue as at the date of this announcement of 456,241,571 Shares.
2. Assumes, following the Placement and the Rights Issue, the Company will have 533,990,634 Shares on issue.

3. Details of the other Underwriters are as follows:

<b>Underwriter</b>	<b>Underwriting commitment</b>	<b>Maximum Number of Shares per Underwriting and Commitments</b>
Tony Lowrie	\$750,000	5,357,143
Mark Denning	\$650,000	4,642,857
Richard Lockwood	\$250,000	1,785,714
Chetan Enterprises Pty Ltd	\$100,000	714,286
Peter Fox (MRC Corporate Development Officer)	\$300,000	2,142,857
Viaticus Capital	\$250,000	1,785,714
Kevin Anthony Leo	\$100,000	714,286
Euan Jenkins	\$ 200,000	1,428,571

To the best of the Company's knowledge and upon completion of the Rights Issue, Au Mining has no present intention to appoint any new director to the Board of the Company, or to:

- (a) change the Company's business;
- (b) inject further capital into the Company;
- (c) transfer assets between the Company and Au Mining;
- (d) change the employment of any present employee of the Company; or
- (e) otherwise redeploy the fixed assets of the entity.

### **Voting Power of Au Mining**

In relation to Au Mining, the above table sets out the maximum voting power which may be obtained. This assumes no Eligible Shareholders (other than the Underwriters) subscribe for their Entitlements.

The table below sets out Au Mining's voting power in the Company as at the Record Date and the potential increase to its voting power under several scenarios relating to the percentage acceptance of Entitlements under the Rights Issue. This table assumes Au Mining always takes up its Entitlement as a shareholder in the Company.

<b>Event</b>	<b>Number of Shares held by Au Mining</b>	<b>Voting power of Au Mining (%)</b>
As at the Record Date	128,765,332	26.88
100% take up from Eligible Shareholders	143,072,591	26.79
75% take up from Eligible Shareholders	147,724,710	27.66
50% take up from Eligible Shareholders	152,376,829	28.54
25% take up from Eligible Shareholders	157,028,948	29.41
0% take up from Eligible Shareholders	161,681,067	30.28

Other than as disclosed, no New Shares will be issued under the Rights Issue if the issue of New Shares would contravene the Corporations Act. Similarly, and other than as disclosed, no New Shares will be issued to any related parties of the Company.

Any Entitlement not taken up pursuant to the Rights Issue will be allocated to the Underwriters as underwriters to the Rights Issue, in proportion to their underwriting commitment as set out in the table and notations above.

Further commentary about the effect of the Rights Issue on control of the Company is as follows:

- (a) if all Eligible Shareholders take up their full Entitlement under the Rights Issue, then the Rights Issue will have no significant effect on the control of the Company;
- (b) Shareholders should note that if they do not participate in the Rights Offer, their holdings are likely to be diluted by approximately 11%;
- (c) MRC's Directors have confirmed their present intentions to take up their full Entitlements;
- (d) the Company has in place a dispersion policy which is expected to materially reduce the number of shortfall shares, namely a top-up facility for Eligible Shareholders to subscribe for shares beyond their Entitlement; and
- (e) The Board has actively taken steps to minimise the potential impacts to voting power of the Rights Issue by engaging multiple Underwriters and having an equitable dispersion strategy.

Yours sincerely,



Peter Torre  
Company Secretary  
Mineral Commodities Limited  
This release is authorized by the Board of Directors.