



Highlights

During the quarter:

- Maiden Inland Strandline ore reserve of 21.8 million tonnes at 31% THM¹
- The Company provided its Annual Resource Statement²:
 - Heavy minerals - combined estimate of 562 million tonnes at 6.6% Total Heavy Minerals ("THM"), containing 37 million tonnes in situ heavy mineral
 - Graphite - 9.83 million tonnes at 14.3% TGC, containing 1.4 million tonnes of graphite
- Tormin mining and processing throughput remains above budget expectations
- Second consecutive quarter of stabilised operating performance at Skaland

After quarter end:

- MRC unveils its Five Year Strategic Plan 2022-2026³
- Successful grant application of US\$3.94M to advance commercialisation of a new graphite ore-to-battery anode business⁴
- Resolution of Section 102 mining right appeals⁵
- Priority targets identified at Bukken, Hesten and Vardfjellet graphite prospects near Skaland⁶
- Electromagnetic survey results indicate excellent new targets at the Munmlinup Graphite Project⁷

Corporate and Cash

Cash: US\$2.2 million as at 31 March 2022

Debt: US\$9.3 million as at 31 March 2022

Securities: 535.5 million shares and 2.9 million performance rights as at the date of this report

¹ ASX Release "Maiden Ore Reserve Inland Strandline" – 18 February 2022

² ASX Release "Annual Mineral Resource and Ore Reserves Statement" – 28 February 2022

³ ASX Release "MRC unveils its Five Year Strategic Plan 2022-2026" – 29 April 2022

⁴ ASX release "Successful \$3.94M Critical Minerals Grant Application" – 19 April 2022

⁵ ASX Release "Resolution of Tormin Section 102 Mining Right Appeals" – 19 April 2022

⁶ ASX Release "Graphite Targets at Bukken, Hesten and Vardfjellet" – 26 April 2022

⁷ ASX Release "Munmlinup Electromagnetic Survey Indicates Excellent Targets" – 7 April 2022

During the quarter:

Mineral Commodities Ltd ("MRC" or "the Company") was pleased to report a maiden JORC Ore Reserve for the Western Strandline of the Tormin Mineral Sands Operation in South Africa of 21.8 Mt of ore with an average THM grade of 31% resulting in 6.7Mt of in-situ Heavy Minerals in Proven and Probable categories.

The Company provided its Annual Resource Statement on 28 February 2022, representing a substantial increase of approximately 106 million tonnes of heavy mineral resources and stable graphite resources compared with the estimate at the same time last year. At 31 December 2021, MRC's total Mineral Resources of heavy mineral sands contained a combined estimate of 562 million tonnes at 6.6% Total Heavy Minerals ("THM"), containing 37 million tonnes of heavy minerals across its Tormin Mineral Sands Operation and Xolobeni Mineral Sands Project. The Company has graphite resources of 9.83 million tonnes at 14.3% TGC, containing 1.4 million tonnes of graphite across its Munglinup Graphite Project and Skaland Graphite Operation.

Tormin's operating performance remains strong and above budget expectations, with annualised mining rates of more than 3.0 million tonnes and annualised processing rates of more than 2.5 million tonnes. Recoveries remain in line with historical performance, with grade being the key driver in production variability. The re-introduction of production from the Inland Strands towards the end of the September 2022 quarter will be the catalyst for improved beach mining grades with the Five Year Strategic Plan 2022-2026 (**Strategic Plan**) providing for the two placer beach deposits being sustainably mined at 1.5Mt respectively every two years from that point onwards.

One of the objectives of management is to stabilise operations at Skaland and return Skaland to profitability. The March 2022 quarter reflects the second successive quarter that Skaland production has been above an annualised production rate of 10ktpa, which is the historical performance baseline for Skaland. Cost and revenue optimisation is ongoing.

After quarter end:

The Strategic Plan incorporates new vision, values and goals for success. The Company's vision of "enabling a better world through sustainable and responsible production of critical and industrial minerals and products" represents a clear intent for responsible and sustainable mining and industrial practices. MRC's vision is highly focused on good corporate citizenship while maintaining its focus on long-term sustainable returns for all stakeholders. MRC is committed to strong core values, zero harm, respect, integrity, innovation and inclusion as the foundations for all of its actions.

The Strategic Plan aims to return the Company to solid profitability through maximising profitability from existing assets, while expanding its resources and reserves, and presenting a platform to achieve our vision and first goal of becoming a larger diversified, sustainable and responsible critical and industrial minerals producer. These building blocks are advancing our second goal of making the Company a sustainable, vertically integrated graphitic anode supplier in Europe, whilst achieving our third goal of becoming a larger sustainable, vertically integrated heavy minerals supplier.



MRC was successful in its funding application under the Australian Commonwealth government's Critical Minerals Acceleration Initiative (**CMAI**). The Commonwealth Government will contribute up to AU\$3.94M to advance commercialisation of a new graphite ore-to-battery anode business based on the Company's Munglinup Graphite Project in Western Australia. The grant will support MRC's mine to battery anodes business development including: process optimisation and pilot scale processing of Munglinup ore to deliver concentrate for the downstream pilot plant; development, commissioning and operations of a downstream pilot plant; supply of larger-scale customer qualification samples to secure offtake agreements; and delivery of an integrated ore-to-anodes definitive feasibility study based on Munglinup. The CMAI project will de-risk our commercial-scale plant development. The downstream pilot plant operations and testing on Munglinup concentrate will support the acceleration of the Munglinup development, a key objective of the Strategic Plan.

MRC has two world class graphite projects in the Munglinup Graphite Project in Western Australia, and the Skaland Graphite operations in Norway. We are actively transitioning these projects into integrated mine-to-anode materials operations to diversify into natural graphite-based anode materials supply with lower environmental impacts and enhanced shareholder value. The CMAI project supports the Strategic Plan objective toward anode qualification and commercial anode production for the Battery Minerals division.

Testwork for the CRC-P graphite purification project⁸ was completed in the quarter, with final reporting after the quarter. The laboratory-scale CRC-P project, which successfully achieved lithium-ion battery grade purities⁹, provides the foundation for larger-scale graphite purification piloting in the CMAI project.

The Company reported the agreed resolution which resulted in the staying of the outstanding appeals against the permitting of its Section 102 Mining Right Areas. Specifically, the High Court of South Africa has ordered a stay in each of the following applications and appeals brought by the Centre for Environmental Rights: an appeal against the ministerial decision to grant the Section 102 Mining Right and the related application to suspend that decision pending the resolution of the appeal and an application to review and set aside the decision to issue MSR with the Integrated Environmental Authorisation in respect of the Section 102 Mining Right areas. The resolution of the appeals confirms MSR's permitting over the Section 102 Mining Right Areas including the

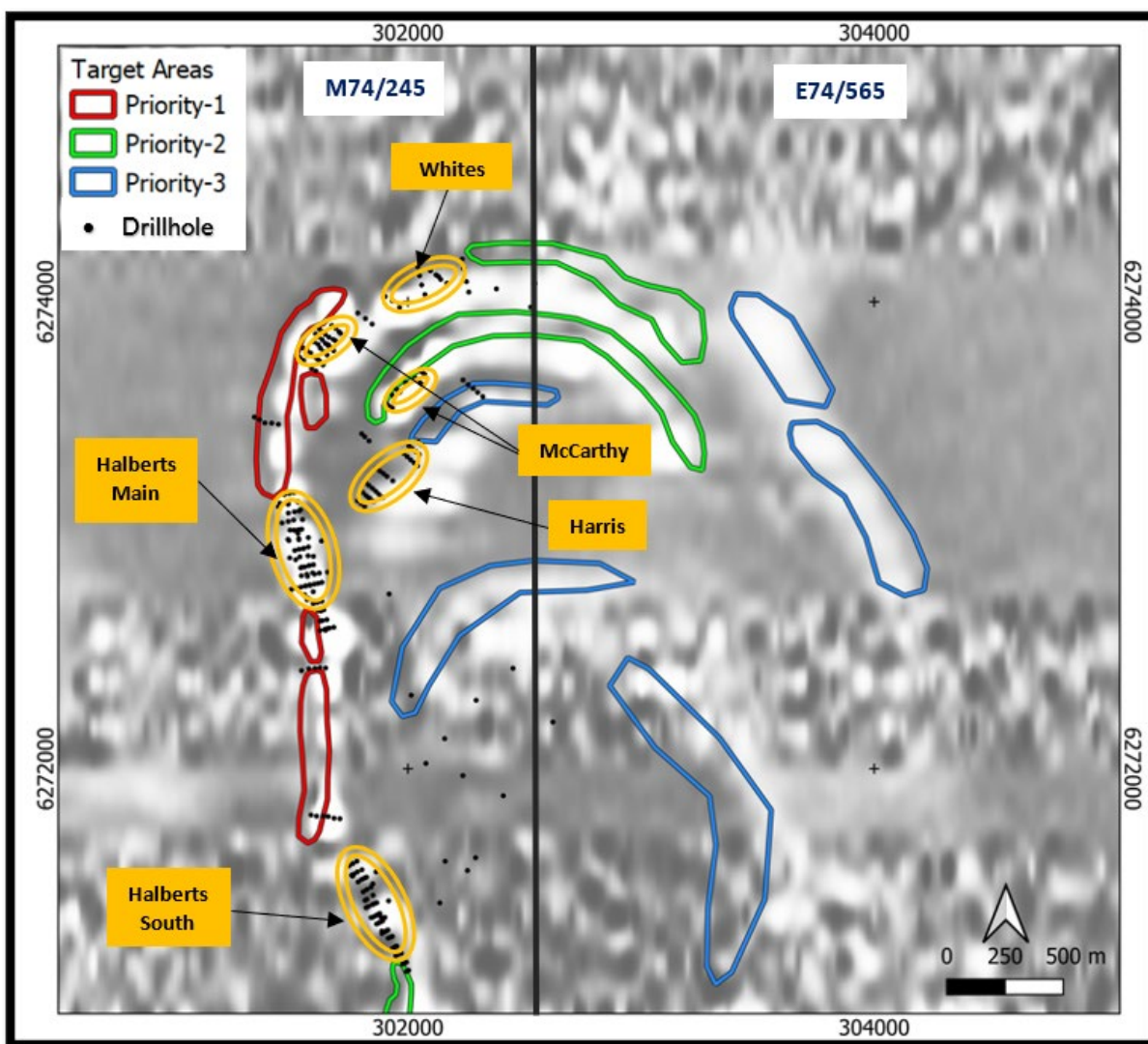
⁸ ASX Release "MRC Leads Successful CRC-P Application to Develop Commercial-Scale Process for Producing High-Purity Graphite (>99.95%)" – 12 August 2019

⁹ ASX Release "Active Anode Materials Plant (AAMP) Purification Success" – 13 September 2021

Northern Beaches and Inland Strands mining areas and is in keeping with our global drive and focus from an Environmental, Social and Governance perspective (**ESG**). The security of permitting over the Section 102 Mining Right supports the Strategic Plan objective to transition towards sustainable production expansion with Inland Strands.

Electromagnetic survey results indicate excellent new targets at the Munглиnup Graphite Project. The anomaly maps show that the known graphite bearing structures in M74/245 extend to the adjoining E74/565 tenement to the east of the Munглиnup deposit. As a result, twelve new priority targets have been identified, seven targets adjacent to previously drilled mineralisation and five new zones of potential mineralisation. The Company intends to commence a 3,000m RC drilling program by the September 2022 quarter, targeted for expanding the resource base, convert inferred resources into higher categories, and drill the new geophysical anomalous areas. The plan will target delineating a JORC Code (2012) compliant updated Mineral Resource Estimate and updated Ore Reserves. The exploration potential identified at Munглиnup supports the Strategic Plan objective to accelerate concentrate production expansion and increase resources and reserves for the Battery Minerals division.

The figure below shows the prioritised target areas in Munглиnup and shows the targets between the known graphite ore bodies, highlighting the potential upside identified by this survey.



The geology and mineralogy of the graphite bearing rocks at the Bukken, Hesten, and Vardfjellet graphite prospects are very similar to that observed at the Skaland Graphite Mining Operation and Trælen mine. Assay results from surface rock chip samples returned up to 8% TGC at Bukken, 4.8% TGC at Hesten and 26.6% TGC at Vardfjellet. The primary target areas for graphite bearing structures, exhibited in the magnetic anomalies are approximately 500m x 100m at Vardfjellet, 650m x 150m at Hesten, and 300m x 150m at Bukken. Drilling is necessary to better understand the geometry, grades, and tonnage of any mineralisation. The exploration potential at Bukken, Hesten, and Vardfjellet supports the Strategic Plan objective to increase resources and reserves for the Battery Minerals division.

SAFETY, ENVIRONMENT AND COMMUNITY

The Company's 12-month Total Recordable Injury Frequency Rate ("TRIFR") declined from 3.6 in the December 2022 quarter to 3.4 in the March 2022 quarter.

Tormin

Thirteen employees tested positive for COVID-19 during the March 2022 quarter. Employees that have tested positive are isolated with contact tracing carried out immediately to limit the risk of further transmission. COVID-19 temperature testing of all employees by site security remains in place. MSR continues to maintain strict rules regarding social distancing, wearing masks, sanitizing, and restricted (50%) capacity in the employee transport vehicles.

MSR had no Lost Time Injuries ("LTIs") during the March 2022 quarter. A drive on Safety, Health, Environment, and Legal compliance continued in the March 2022 quarter.

Skaland

Twelve employees at Skaland were diagnosed with COVID-19. Employees that have tested positive are isolated with contact tracing carried out immediately to limit the risk of further transmission. Skaland had no LTIs during the March 2022 quarter.

TORMIN OPERATIONS

Ore mining remained near circa 3.0-3.1 million tonnes (annualised) during the quarter. The Company maintained the processing rate during the quarter at 2.5Mtpa, producing 48,051 tonnes of final concentrates.

Mining

Mining	31-Mar-22 Quarter	31-Dec-21 Quarter	31-Mar-21 Quarter	Year to Date 31-Mar-22	Year to Date 31-Mar-21
Material Mined - Tonnes (dmt)	770,659	783,709	896,291	770,659	896,291
Ore Mined - Tonnes (dmt)	765,366	783,709	744,030	765,366	744,030
Waste Mined – Tonnes (dmt)	5,293	-	152,260	5,293	152,260
Grade (VHM)	8.1%	9.9%	15.0%	8.1%	15.0%
- Garnet	6.6%	7.7%	8.9%	6.6%	8.9%
- Ilmenite	1.0%	1.4%	4.8%	1.0%	4.8%
- Zircon	0.4%	0.5%	0.9%	0.4%	0.9%
- Rutile	0.2%	0.3%	0.4%	0.2%	0.4%

Tormin saw 0.8 million tonnes of material mined for the March 2022 quarter with a Valuable Heavy Mineral ("VHM") grade of 8.1% in comparison to the previous quarter of 9.9%. The reduced VHM grade reflects slower beach replenishment at Tormin and the Northern Beaches. Grade is expected to improve in the June 2022 quarter with Northern Beaches 1-5 access becoming available after relevant landowner agreements were negotiated at the end of the March 2022 quarter. Mining from the Inland Strands is expected to restart at the end of the September 2022 quarter. The delay of the Inland Strands mining compared to previous reports is based on additional test work to further enhance the process flow sheet.

Run of Mine ("ROM") volumes were maintained in the March 2022 quarter at circa 3.1Mtpa. Ore production during the March 2022 quarter from the Northern Beaches, Tormin Beaches and Inland Strands is shown below:

Mining	31-Mar -22 Quarter		
	Northern Beaches	Tormin Beaches	Inland Strands
Ore Mined - Tonnes (dmt)	361,972	403,394	-
Grade (VHM)	8.9%	7.4%	-
- Garnet	7.1%	6.0%	-
- Ilmenite	1.2%	0.8%	-
- Zircon	0.4%	0.3%	-
- Rutile	0.2%	0.2%	-

At quarter end, ROM inventory of 587Kt was available, comprising 444Kt of Inland Strands material and 143Kt of beach material. All ROM inventory is budgeted to be processed in 2022, which is expected to improve cash flow generation in the second half of 2022.

Processing

ROM feed tonnes to the Primary Beach Concentrators ("PBC") were higher than budget for the quarter at 635Kt, representing an average feed rate of 340tph and 91% plant utilisation. Throughput decreased by 8% in comparison to the previous quarter, reflecting 2% lower available days in the March 2022 quarter and lower plant utilisation. Final concentrate production for the period decreased to 48,051 tonnes, compared to the December quarter of 67,629 tonnes, the result of lower grades and throughput.

Total tonnes processed by the GSP/SCP were 115kt compared to 157kt from the previous quarter due to lower feed grade and throughput into the primary concentration circuit, reducing heavy mineral concentrate production. As a result, total final concentrate production for the period decreased to 48,051 tonnes, compared to the December quarter of 67,629 tonnes. Tonnes processed by the GSP/SCP in the June 2022 quarter is expected to materially improve with access to Northern Beaches 1-5.

GSP/SCP Production & Processing	31-Mar-22 Quarter	31-Dec-21 Quarter	31-Mar-21 Quarter	Year to Date 31-Mar-22	Year to Date 31-Mar-21
Tonnes processed (gross dmt)	114,696	156,519	130,251	114,696	130,251
Tonnes produced (dmt)					
- Garnet concentrate	36,509	48,830	31,725	36,509	31,725
- Ilmenite concentrate	9,418	15,626	24,576	9,418	24,576
- Zircon/Rutile concentrate	2,124	3,173	2,663	2,124	2,663
- Zircon in concentrate	75.4%	74.5%	68.3%	75.4%	68.3%
- Rutile in concentrate	17.2%	18.0%	19.3%	17.2%	19.3%

Sales

Sales (wmt)	31-Mar-22 Quarter	31-Dec-21 Quarter	31-Mar-21 Quarter	Year to Date 31-Mar-22	Year to Date 31-Mar-21
- Garnet concentrate	30,908	32,604	27,575	30,908	27,575
- Ilmenite concentrate	3,261	38,091	-	3,261	-
- Zircon/Rutile concentrate	2,632	2,912	4,533	2,632	4,533

Tormin shipments/sales were 30,908 wet metric tonnes of garnet, 2,632 wet metric tonnes of zircon/rutile concentrate and 3,261 wet metric tonnes of ilmenite. Not all ilmenite and zircon/rutile concentrates could be shipped to customers due to the challenging global shipping environment, impacting the availability of both bulk and containerised shipping. This shipping impact resulted in increased closing product inventory as at 31 March 2022. Garnet sales primarily reflect the first quarter offtake under the garnet offtake agreement with GMA Garnet Group (25,000 tonnes). The decrease in ilmenite sales reflects the timing of a bulk ilmenite sale during the December 2021 quarter, with the next bulk ilmenite shipment slated for the June 2022 quarter.

Product sales revenue was US\$7.1 million, representing a total of 36,801 wet metric tonnes sold, compared to prior period revenue of US\$13.6 million for 73,607 wet metric tonnes sold. The decrease reflects the bulk ilmenite sale during the December 2021 quarter (nil recognised in the current quarter).

Unit Costs & Revenues

Summary of Unit Costs & Revenues	31-Mar-22 Quarter	31-Dec-21 Quarter	31-Mar-21 Quarter	Year to Date 31-Mar-22	Year to Date 31-Mar-21
Unit production cash costs per tonne of net final concentrate produced (US\$/dmt)	136.03	94.90	91.62	136.03	91.62
Unit cost of goods sold per tonne of final concentrate sold (US\$/wmt) ⁽¹⁾	165.57	154.91	157.38	165.57	157.38
Unit revenue per tonne of final concentrate sold (US\$/wmt)	190.74	183.92	210.40	190.74	210.40
Revenue to Cost of Goods Sold Ratio	1.15	1.19	1.34	1.15	1.34

Note (1) – Cost of goods sold includes production cash costs, product handling, transport and selling costs, royalties, stock movements and depreciation and amortisation. Excludes corporate and financing costs.

The March 2022 quarter's unit production cash costs were 43% higher than the previous quarter, reflecting 29% lower concentrate produced during the quarter and a 6% increase in the proportion of Northern Beach material processed, which has a higher cost than Tormin Beach material due to higher transport costs (primary concentration tailings trucked back to the original beach and longer haul transport of heavy mineral concentrate to the main GSP plant).

The total unit cost of goods sold for the March 2022 quarter was US\$165.57/t compared with US\$154.91/t in the previous quarter. This reflects higher unit production cash costs.

Unit revenue per tonne of final concentrate sold for the March 2022 quarter of US\$190.74/t is 3% above US\$183.92/t for the previous quarter. This reflects the higher proportion of zircon/rutile concentrate sales during the March 2022 quarter in comparison with the previous quarter.

Revenue to Cost of Goods Sold Ratio of 1.15 for the March 2022 quarter is lower than the previous quarter of 1.19. This reflects the higher unit cost of goods sold, partially offset by higher unit revenue.

Tormin Resources

Mineral Commodities Ltd ("MRC" or "the Company") was pleased to report a maiden JORC Ore Reserve for the Western Strandline of the Tormin Mineral Sands Operation in South Africa. The Maiden Ore Reserve is estimated at 21.8 Mt of ore with an average THM grade of 31% resulting in 6.7Mt of in-situ Heavy Minerals in Proven and Probable categories. It is a sub-set of the Western Strandline Mineral Resource estimate of 193 million tonnes at 9.5% Total Heavy Minerals ("THM")¹⁰ as announced in December 2021.

The Inland Strands Project is based on a staged development approach. Stage 1 involves a 1.2Mtpa mining and processing operation within the already granted Expanded Mining Right (162 & 163 EMR) and Stockpiled ore – where 7.9Mt of Ore Reserves are available. Mining operations are then planned to extend into the new Mining Right application areas (located wholly within 10262PR and the Company-owned farm Geelwal Karoo 262), with the 13.9 Mtpa of Ore Reserves in this area underpinning a doubling of Inland Strand production to a 2.4Mtpa operation in Stage 2. Regulatory approvals will be required to extend mining activities in Stage 2, outside the existing granted EMR, and preparations for applications are at an advanced stage. The Maiden Ore Reserve is expected to support mining operations for more than 10 years.

¹⁰ ASX Release "Significant Increase in Tormin's Mineral Resources" – 7 December 2021

The Company is planning a drilling program to infill the inferred resources in the Western and Eastern Strandline and will target delineating a JORC Code (2012) compliant updated Mineral Resource and Ore Reserve.

The Company provided its Annual Resource Statement on 28 February 2022, highlighting a substantial increase in heavy mineral sands resource tonnes and in situ heavy minerals. At 31 December 2021, MRC's total heavy mineral sands Mineral Resources consisted of a combined estimate of 562 million tonnes at 6.6% Total Heavy Minerals ("THM"), containing 37 million tonnes in situ heavy mineral across its Tormin Mineral Sands Operation and Xolobeni Mineral Sands Project.

Table 1 - Total Mineral Resources of Heavy Mineral Sand at 31 December 2021

Project	Category	Resource (Mt)	THM (%)	In Situ THM(Mt)	Zircon (%HM)	Garnet (%HM)	Ilmenite (%HM)	Rutile (%HM)	Anatase (%HM)	Magnetite (%HM)
Tormin Beaches	Measured	1.1	9.11	0.1	3.18	52.36	7.14	1.32	0.22	0.33
	Indicated	0.07	7.13	<0.01	3.23	50.91	5.61	1.40	0.28	0.42
	Total	1.1	8.98	0.1	3.12	52.34	7.13	1.34	0.22	0.33
Northern Beaches	Measured	1.48	22.83	0.34	3.55	55.98	10.42	1.36	0.26	0.57
	Indicated	0.75	20.80	0.15	3.29	69.75	9.05	1.34	0.28	0.37
	Inferred	0.2	15.58	0.03	3.12	60.54	5.89	0.99	0.22	0.41
	Total	2.4	21.61	0.5	3.48	60.62	9.94	1.35	0.26	0.51
Western Strandline	Measured	32.7	19.21	6.2	1.82	12.49	7.91	1.09	0.21	0.52
	Indicated	39.7	9.48	3.7	1.05	14.77	3.80	0.84	0.21	0.74
	Inferred	119.2	6.93	8.2	2.60	10.68	18.04	1.44	0.29	0.43
	Stockpile	1.6	12.84	0.2	4.21	18.85	25.78	1.95	0.39	0.78
	Total	193.2	9.58	18.5	2.16	11.89	13.46	1.26	0.25	0.51
Eastern Strandline	Indicated	1.9	5.34	0.1	6.12	15.71	35.44	7.73	0.92	0.89
	Inferred	17.5	3.13	0.5	6.35	14.39	36.74	6.09	1.19	0.51
	Total	19.5	3.36	0.6	6.32	14.52	36.60	6.25	1.16	0.57
Xolobeni	Measured	224	5.7	12.76			54.5			
	Indicated	104	4.1	4.26			53.7			
	Inferred	18	2.3	0.41			69.4			
	Total	346.0	5.0	17.3			54			
Grand Total		562.2	6.6	37			39.1			

- Mineral assemblage reported as in situ percentage of THM content.
- Tonnes and grades numbers may not compute due to rounding.
- 2% THM cut-off grade used for Tormin and Northern Beaches, Western and Eastern Strandlines.
- 1% THM cut-off grade used for Xolobeni.

The Mineral Resources Estimate and Ore Reserve were prepared in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code (2012)").

SKALAND OPERATIONS

During the March 2022 quarter, the Company achieved higher concentrate production rates reflecting improved performance at Skaland. The down-dip mine development works to level -55, completed in the December 2021 quarter, improved ore supply from the mine which, complemented by improved plant availability, resulted in higher processed tonnes and final concentrate produced.

The Company increased concentrate sales by 17%, selling 2,759 tonnes of graphite concentrate during the period compared to 2,356 tonnes in the prior quarter, reflecting increased production and strong market conditions experience during the quarter.

Mining

Mining	31-Mar-22 Quarter	31-Dec-21 Quarter	31-Mar-21 Quarter	Year to Date 31-Mar-22	Year to Date 31-Mar-21
Material Mined	9,956	39,095	5,645	9,956	5,645
Ore Mined	9,397	10,932	3,343	9,397	3,343
Waste Mined	559	28,163	2,303	559	2,303
Ore Grade (%C)	26	27	25	26	25
Development Metres	113	356	33	113	33

Total ore mined for the quarter was 14% lower than the previous quarter, importantly it reflects a return to historical performance to meet the production needs of 10kt per annum of concentrate production from the high-grade Trælen ore body and reduced development requirements. Lower development metres during the quarter were the result of the completion of the down-dip development at Trælen in the December 2021 quarter.

Processing

ROM feed to the processing plant for the March 2022 quarter was 9,008 tonnes compared with 9,451 tonnes in the prior quarter. This reflects ore supply being reliably maintained since the mine development completed in the December 2021 quarter.

Graphite concentrate production increased to 2,828 tonnes, exceeding last quarter production of 2,763 tonnes. These two quarters reflect improved Skaland plant availability.

Processing	31-Mar-22 Quarter	31-Dec-21 Quarter	31-Mar-21 Quarter	Year to Date 31-Mar-22	Year to Date 31-Mar-21
Ore Processed (t)	9,008	9,451	3,117	9,008	3,117
Throughput (tph)	6	6	6	6	6
Ore Grade (%C)	26	27	25	26	25
C Recovery (%)	93	93	87	93	87
Concentrate Grade (%)	90	93	88	90	88
Concentrate Produced (t)	2,828	2,763	773	2,828	773

Sales

The Company sold 2,759 tonnes of graphite concentrate during the March 2022 quarter compared to 2,356 tonnes in the prior quarter, representing a 17% increase in sold concentrate. This reflects improved production and sales market conditions during the quarter.

Product (wmt)	31-Mar-22 Quarter		31-Dec-21 Quarter		31-Mar-21 Quarter		Year to Date 31-Mar-22		Year to Date 31-Mar-21	
	Sales	PSD %	Sales	PSD %	Sales	PSD %	Sales	PSD %	Sales	PSD %
Coarse/Medium	1,027	37%	794	33%	539	31%	1,027	37%	539	31%
Fine-Medium/Powder	1,732	63%	1,562	67%	1,218	69%	1,732	63%	1,218	69%
Total	2,759		2,356		1,757		2,759		1,757	

Sales revenue for the March 2022 quarter increased 24% to US\$2.1 million for a total of 2,759 tonnes sold due to a 17% increase in product sold and an 8% increase in weighted average product pricing. Increased product pricing reflects an improved coarse/ fine fraction and overall higher product pricing during the March 2022 quarter. Sales revenue for the December 2021 quarter was US\$1.7 million for a total of 2,356 tonnes sold.

Unit Costs & Revenues

As a result of improved market conditions and an improved coarse/ fine fraction unit revenue per tonne of final concentrate sold increased 8% to US\$754.37 for the March 2022 quarter, from US\$696.51 in the prior quarter.

Summary of Unit Costs & Revenues	31-Mar-22 Quarter	31-Dec-21 Quarter
Unit production cash costs per tonne of net final concentrate produced (US\$/dmt)	679.98	657.53
Unit cost of goods sold per tonne of final concentrate sold (US\$/wmt) ⁽¹⁾	803.80	828.99
Unit revenue per tonne of final concentrate sold (US\$/wmt)	754.37	696.51
Revenue to Cost of Goods Sold Ratio	0.94	0.84

Note (1) – Cost of goods sold includes production cash costs, product handling, transport and selling costs, royalties, stock movements and depreciation and amortisation. Excludes corporate and financing costs.

The March 2022 quarter's unit production cash costs were 3% higher than the previous quarter, reflecting increased processing cash costs from higher power and maintenance costs, partially offset by increased production during the current quarter.

The total unit cost of goods sold for the March 2022 quarter was US\$803.80/t compared with US\$828.99/t in the previous quarter, reflecting greater capitalisation of inventory costs this quarter due to increased product pricing.

Unit revenue per tonne improved to US\$754.37, reflecting an improved coarse/ fine fraction and overall higher product pricing during the March 2022 quarter .

Revenue to Cost of Goods Sold Ratio of 0.94 for the March 2022 quarter is higher than the previous quarter of 0.84. This reflects the lower unit cost of goods sold and higher unit revenue during the current quarter and highlights profitability improvement at Skaland.

Skaland Exploration

The Company provided its Annual Resource Statement on 28 February 2022, recognising an updated Mineral Resource of 1.84 million tonnes at 23.6% TGC in the Measured, Indicated, and Inferred categories for 434kt of contained graphite using a 10% cut-off. MRC's JORC (2012) compliant Mineral Resource Estimate for its graphite resources are 9.83Mt at 14.3% TGC.

Table 2 - Total Mineral Resources of Graphite at 31 December 2021

Project	Category	Resource (Mt)	Total Graphitic Carbon (%)	Contained Graphite (Mt)
Skaland	Measured	0.06	30.2	0.02
	Indicated	0.71	25.2	0.18
	Inferred	1.05	22.0	0.23
	Total	1.84	23.6	0.43
Munglinup	Indicated	4.49	13.1	0.58
	Inferred	3.50	11.0	0.38
	Total	7.99	12.2	0.97
Grand Total		9.83	14.3	1.40

- Tonnes and grades numbers may not compute due to rounding.
- 10% THM cut-off grade used for Skaland.
- 5% THM cut-off grade used for Munglinup.

The Maiden Skaland Ore Reserve was estimated at 0.64 million tonnes at 24.8% TGC in the category of proven and probable containing 159 kt of contained graphite by using 10% TGC cut-off grade. Total MRC graphite Ore Reserves are 4.88Mt at 14.3% TGC.

Table 3 - Total Ore Reserves of Graphite at 31 December 2021

Project	Category	Tonnes (Mt)	Total Graphitic Carbon (%)
Skaland	Proven	0.05	27.8
	Probable	0.58	24.6
	Total	0.64	24.8
Munglinup	Proven		
	Probable	4.24	12.8
	Total	4.24	12.8
Grand Total		4.88	14.3

- Ore Reserve uses a variable cut-off grade.
- Ore Reserves are a sub-set of Mineral Resources.

DOWNSTREAM GRAPHITE

In March 2022, testwork for the Cooperative Research Centre Projects (CRC-P) project with Australia's national science agency, CSIRO, was successfully completed with battery grades achieved at increasing scale. CSIRO conducted 534 purification tests in the CRC-P project at increasing scale, including 84 lock cycle tests to simulate industrial processing. The project achieved battery grades (minimum of 99.95% purity) for both Munglinup and Skaland spherical graphite, with typical recoveries to product of 90%. Final results and reporting for the CRC-P project was completed after the quarter.

The laboratory scale CRC-P project provides the foundation for larger-scale piloting in the Company's successful \$3.94M grant application under the Commonwealth Government's Critical Mineral Acceleration Initiative (CMAI) project, announced after the end of the quarter. The CMAI project targets the development of an integrated ore-to-battery anode materials business based on Munglinup.

The CSIRO mini-pilot plant developed in the CRC-P project is currently generating samples for customer evaluation, with initial samples already shipped.

DEVELOPMENT

Munglinup Graphite Project

In the March 2022 quarter, the Company undertook an additional ecological impact assessment, and fauna and flora surveys to update the EPA documents. The Company is currently compiling the supplementary documents for submission to the Department of Water and Environmental Regulation (DWER). Final environmental permits are expected in the December 2022 quarter.

In the March 2022 quarter, helicopter-borne magnetic and electromagnetic surveys over the Munglinup tenements were completed, and the Company intends to commence a 3,000m RC drilling program, designed to expand the resource base, convert inferred resources into higher categories, and drill the new geophysical anomalous areas. The plan will target delineating a JORC Code (2012) compliant updated Mineral Resource and Ore Reserve.

Australian Exploration

Our Australian exploration tenements were relinquished in April 2022 as part of the settlement with the former CEO.

CORPORATE

During the March 2022 quarter Mr David Baker resigned as Chairman and non-executive director of the Company for personal reasons¹¹. Mr Russell Tipper, a non-executive director, assumed the role of Acting Chairman. Mr Jacob Deysel, the Company's CEO, was appointed to the Board and assumed the role of Managing Director.

On 4 April 2022, the Company announced a settlement of the disputes between the Company and its former Chief Executive Officer, Mr Mark Caruso and entities associated with, or controlled by him. This allows both parties to move forward amicably¹².

2021 full year results were released, highlighted by total revenue of US\$50.5 million and EBITDA of US\$3.8 million. Earnings were below historical performance due to operating losses at Skaland, impacted by an unplanned incident shutting the plant, various operational downtimes and higher operating costs at Tormin¹³.

Cash and Debt

As at 31 March 2022, the Company had US\$2.2 million in cash on hand compared to US\$4.3 million as at 31 December 2021. The net working capital position as at 31 March 2022 is US\$5.1 million, inclusive of diesel fuel receivables in South Africa. The impact of the COVID-19 pandemic on customers, supply chains, staffing and geographical regions continues in 2022, however operations and sales resilience in 2020 and 2021 provides a foundation to meet these challenges. Management is buoyed by its current material product inventory available for sale, expected further positive cash flows from mining operations at Tormin in 2022 and management's ability to raise additional funding as required. Management will continue to actively monitor cash flows and remain adaptable to changing fiscal priorities, considering these fluid operating conditions.

¹¹ ASX Release "Resignation of Chairman and Board Changes" – 5 January 2022

¹² ASX Release "MRC Agrees Settlement Terms with Former CEO" – 4 April 2022

¹³ ASX Release "2021 Final Results Summary" – 28 February 2022

Trade and other receivables as at 31 March 2022 increased to US\$12.8 million from US\$9.7 million in the previous quarter. Borrowings as at 31 March 2022 were US\$9.3 million compared to US\$9.6 million in the previous quarter.

Outlook

There is no expected change to guidance for 2022 provided in the December 2021 quarterly.

Securities on Issue

Issued securities at the date of this report comprise:

- 535,490,634 fully paid ordinary shares listed on the ASX.
- 500,000 Performance Rights vesting on 1 September 2022.
- 920,000 Performance Rights vesting on 25 November 2022, expiring on 25 November 2024.
- 1,380,000 Performance Rights vesting on 25 November 2023 and upon non-market measures a being achieved, expiring on 25 November 2025.
- 100,000 Performance Rights exercisable on or before 28 February 2023, vesting on the 30-day VWAP of the Company's Shares trading on the ASX being A\$0.26 post issue, and 50,000 vested on 28 February 2021 and 50,000 vesting on 28 February 2022. 50,000 Performance Rights are fully vested.

- ENDS -

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Authorised by: The Board of Mineral Commodities Ltd

For further information, please contact:

INVESTORS & MEDIA

Jacob Deysel

CEO/Managing Director

T: +61 8 6373 8900

investor@mncom.com.au

CORPORATE

Fletcher Hancock

Group Legal Counsel & Company Secretary

T: +61 8 6373 8900

fletcher.hancock@mncom.com.au

COMPETENT PERSONS STATEMENT

Tormin-The information in this statement which relates to Mineral Resources for Tormin is based on information compiled by Mr Bahman Rashidi, who is a member of the Australian Institute of Mining and Metallurgy ("AusIMM") and the Australian Institute of Geoscientists ("AIG"). Mr Rashidi is the Group Exploration Manager and a full-time employee of the Company. Mr Rashidi is also a shareholder of Mineral Commodities Ltd. He has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person in accordance with the JORC Code (2012). The information from Mr Rashidi was prepared under the JORC Code (2012). Mr Rashidi consents to inclusion in the report of the matters based on this information in the form and context in which it appears.

Skaland-The information in this statement which relates to Mineral Resources for Traelen is based on information compiled by Mr Bahman Rashidi, who is a member of the AusIMM and the AIG. Mr Rashidi is the Exploration Manager and a full-time employee off the Company and has over 22 years of exploration and mining experience in a variety of mineral deposits and styles. Mr Rashidi has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person in accordance with the JORC Code (2012). The information from Mr Bahman Rashidi was prepared under the JORC Code (2012). Mr Rashidi consents to inclusion in this report of the matters based on this information in the form and context in which it appears.

The information in this statement related to Ore Reserve is based on information compiled and approved for release by Mr Eero Tommila, who is a member of the Institute of Materials, Minerals, and Mining ("IMMM") a Recognised Professional Organisation ("RPO"). Mr Tommila is Principal Mine Engineer of Skaland Graphite AS and a fulltime employee of the Company. He has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person in accordance with the JORC Code (2012). The information from Mr Tommila was prepared under the JORC Code (2012). Mr Tommila consents to the inclusion in the report in the form and context in which it appears.