

MRC TRANSITIONING INTO HIGHER VALUE FINISHED PRODUCTS AT TORMIN

Mineral Commodities Ltd ("**MRC**" or "**the Company**") is pleased to announce that it has entered into a non-binding Offtake and Funding agreement with Garnet International Resources Pty Ltd, a member of the GMA Group ("**GMA Group**") whereby:

- (a) MRC agrees to supply GMA Group with finished garnet product in the following volumes:
 - (i) 2024-2025 – 80ktpa;
 - (ii) 2026-2028 – 105ktpa; and
 - (iii) 2029-2033, subject to renewal at GMA's election – 125ktpa; and
- (b) GMA Group agrees to provide MRC with US\$10,000,000 in loan funding, repayable over 5 years from 1 January 2024, on commercial terms to fund the design and construction of a 250-300ktpa Garnet and Ilmenite Mineral Separation Plant (**MSP**) in the Western Cape Region of South Africa.

GMA Group is the global leader in industrial garnet, providing the highest quality garnet abrasive to the waterjet cutting and protective coating industries¹. It has been MRC's long-term partner in garnet concentrates sales.

Offtake Agreement pricing is agreed, subject to existing rise and fall mechanisms and commercial in confidence. GMA also has first right of refusal on any finished garnet product produced in excess of the minimum offtake above.

GMA Group's loan is to be secured against the MSP and an MRC guarantee.

Entry into finalised agreements is subject to the agreement of detailed terms and GMA and MRC Board Approval.

These agreements align with MRC's Strategic Plan² to transition into higher value finished products, with construction of the MSP aiming to be completed by the December 2023 quarter. The Strategic Plan aims to maximise the value of our mineral sands operations by maximising final product value through transitioning from mixed concentrates to finished garnet and ilmenite mineral products.

The Company's Chief Executive Officer and Managing Director, Mr Jacob Deyssel, commented: *"We're very pleased to extend our long-term partnership with GMA Group from concentrate sales to finished garnet products. This offtake agreement forms the foundation of expanding*

¹ Refer <https://www.gmagarnet.com/en-au/>.

² Refer ASX Announcement entitled '[MRC Unveils Five Year Strategic Plan 2022-2026](#)' dated 29 April 2022.

our revenue base and profitability at Tormin. To provide context, the Tormin operation produced 145kt of garnet concentrate in 2021, highlighting that this minimum offtake agreement will cover most of the available finished garnet produced from current operations. The GMA funding agreement also allows construction of an ilmenite MSP, with ilmenite finished product to be sold into the lucrative, well established finished ilmenite market. We welcome the opportunity to renew and formally extend our long-standing relationship with GMA and explore new opportunities to expand our mutually beneficial commercial interests."

ENDS

**Issued by Mineral Commodities Ltd ACN 008 478 653 www.mineralcommodities.com.
Authorised by the CEO and Company Secretary, Mineral Commodities Ltd.**

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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 mineral deposits within the industrial and critical 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.

The Company owns and operates the Skaland Graphite Operation in Norway, the world's highest-grade operating flake graphite mine and is the only producer 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 ultimately aims to produce graphitic anode products and capitalise on the fast-growing demand for sustainably manufactured Lithium-Ion Batteries.

In April 2022, the Company released its Five-Year Strategic Plan 2022-2026³ to delineate and implement its aspiration to become a leading vertically integrated diversified producer of graphitic anode materials and value added mineral products with a commitment to operate with a focus on the Environment, Sustainability and Governance.

³ Refer ASX Announcement entitled 'MRC Unveils Five Year Strategic Plan 2022-2026', dated 29 April 2022.

Cautionary Statement

This announcement contains forward-looking statements. Any forward-looking statements reflect management's current beliefs based on information currently available to management and are based on what management believes to be reasonable assumptions. It should be noted that various factors may cause actual results or expectations to differ materially from the results expressed or implied in the forward-looking statements.

These forward-looking statements are not a guarantee of future performance and involve unknown risks and uncertainties, many of which are beyond MRC's control. This may cause actual results and developments to differ materially from those expressed or implied. These risks include but are not limited to, economic conditions, stock market fluctuations, commodity demand and price movements, access to infrastructure, timing of approvals, regulatory risks, operational risks, reliance on key personnel, Ore Reserve and Mineral Resource estimates, native title, foreign currency fluctuations, exploration risks, mining development, construction, and commissioning risk.

Forward-looking statements in this announcement apply only at the date of issue and are subject to any continuing obligations under applicable law or regulations, MRC does not undertake to publicly update or revise any of the forward-looking statements in this announcement or to advise of any change in events, conditions, or circumstances on which any such statement is based. Readers are cautioned not to place undue reliance on any forward-looking statements contained in this announcement.

Competent Persons Statement

The scientific and technical information in this Announcement related to the geology of the deposits and exploration results that previously announced is based on information compiled and approved for release 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, 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 Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves ("**the JORC Code (2012)**"). The information from Mr Rashidi was prepared under the JORC Code (2012). Mr Rashidi consents to the inclusion in this ASX release in the form and context in which it appears.