

MINERAL COMMODITIES LIMITED

ACN 008 478 653

OFFER DOCUMENT

For a pro rata non-renounceable Rights Issue to Eligible Shareholders on the basis of one (1) New Share for every three (3) existing Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.075 per New Share to raise \$13,970,484 (before costs) (**Offer**).

The Offer opens on Monday, 17 October 2022 and closes at 5:00pm (WST) on Wednesday, 26 October 2022 (unless extended). Valid acceptances must be received before the close of the Offer.

The Offer is partially underwritten by the Underwriters. Refer to Section 6 for details of the Underwriters and the material terms of the Underwriting Agreements.

Applications for New Shares by Eligible Shareholders can only be made by using or following the instructions on an Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out the Eligible Shareholders' Entitlement to participate in the Offer.

Please read the instructions in this Offer Document and on the accompanying Entitlement and Acceptance Form.

This document is not a prospectus and does not contain all of the information that an investor may require in order to make an informed investment decision regarding the New Shares offered by this document.

The New Shares offered by this Offer Document should be considered speculative.

This distribution of this document, and the offer of New Shares, is restricted outside Australia. In particular, this document may not be distributed in the United States except by the Company to shareholders who are "accredited investors" (as defined in Rule 501(a) under the US Securities Act of 1933).

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1. IMPORTANT INFORMATION

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

1.1 This document is not a prospectus

This Offer Document is dated 7 October 2022, has been prepared by Mineral Commodities Limited and is for a rights issue of continuously quoted securities (as defined in the Corporations Act) of the Company.

This Offer Document is not a prospectus under the Corporations Act and has not been lodged with the ASIC. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the Shares offered by this Offer Document.

This Offer Document including each of the documents attached to it and which form part of this Offer Document are important and should be read in their entirety prior to making an investment decision. In particular, Shareholders should refer to the risk factors set out in section 5 of this Offer Document. If you do not fully understand this Offer Document or are in any doubt as to how to deal with it, you should consult your professional adviser.

1.2 Section 708AA of the Corporations Act

This Offer Document has been prepared in accordance with section 708AA of the Corporations Act and applicable ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84 (**ASIC Instrument 2016/84**). In general terms, section 708AA permits certain companies to undertake rights issues without being required to use or provide to shareholders a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Document is significantly less than the level of disclosure required in, and what you would expect in, a prospectus. Eligible Shareholders should rely on their own knowledge of the Company, refer to disclosures made by the Company to ASX and consult their professional advisers before deciding to accept the Offer.

1.3 Entitlement

Applications for Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer.

1.4 Overseas Shareholders

This Offer Document does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Document. In particular, this Offer Document may not be distributed to any person, and New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Brunei

This Offer Document is only intended to be distributed and made available, and the New Shares to be offered only, to existing shareholders of the Company. This Offer Document may not be distributed, published or advertised, directly or indirectly, to the public in Brunei Darussalam. No recipient of this Offer Document may distribute it or make copies of it available to any other person. This Offer Document has not been registered with the Brunei Registrar of Companies.

British Virgin Islands

The New Shares may not be offered in the British Virgin Islands unless the Company or the person offering the New Shares on its behalf is licensed to carry on business in the British Virgin Islands. While the Company is not licensed to carry on business in the British Virgin Islands, the New Shares may be offered to existing shareholders of the Company in the British Virgin Islands from outside the British Virgin Islands.

Canada

This Offer Document constitutes an offering of the New Shares in the Canadian province of Alberta and Ontario (the "Province") where existing shareholders of the Company are resident. This Offer Document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Province.

No securities commission or other authority in the Province has reviewed or in any way passed upon this Offer Document, the merits of the New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Province with respect to the offering of New Shares or the resale of such securities. Any person in the Province lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and received by the securities regulator in the applicable Province.

Any resale of the New Shares in Canada must be made in accordance with applicable Canadian securities laws, which may require resales to be made in accordance with an exemption from prospectus requirements. Such resale restrictions do not apply to a first trade in a security (such as New Shares) of a foreign issuer (such as the Company) that is not a reporting issuer in Canada and that is made through an exchange or market outside of Canada (such as ASX).

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Hong Kong

WARNING: This Offer Document may be distributed in Hong Kong solely to existing shareholders of the Company. The contents of this Offer Document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Offer Document, you should obtain independent professional advice.

Malaysia

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to the offer of New Shares. The New Shares under the entitlement offer may not be offered, sold or issued in Malaysia except to existing shareholders of the Company. Any New Shares not taken up under the entitlement offer may not be offered, sold or issued in Malaysia except pursuant to, and to persons prescribed under, pursuant to Part I of Schedule 6 and Schedule 7 of the Malaysian Capital Markets and Services Act 2007.

Mexico

The New Shares are being offered in Mexico only to existing shareholders of the Company and may not be publicly offered or sold in Mexico.

This Offer Document does not constitute a public offering of New Shares under Mexican law and, therefore, the offer of New Shares is not subject to obtaining the prior authorization of the National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores) nor the registration of the New Shares with the Mexican National Registry of Securities (Registro Nacional de Valores).

Netherlands

This Offer Document has not been, and will not be, registered with or approved by any securities regulator in the Netherlands or elsewhere in the European Union. Accordingly, this Offer Document may not be made available, nor may the New Shares be offered for sale, in the Netherlands except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4) of the Prospectus Regulation, an offer of New Shares in the Netherlands is limited:

- to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- to fewer than 150 natural or legal persons (other than qualified investors); or
- in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

Investors in the Netherlands should note:

<p>Attention! This investment falls outside AFM supervision. No prospectus required for this activity.</p>	
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New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This Offer Document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This Offer Document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Papua New Guinea

WARNING: This Offer Document has not been, and will not be, registered by the Securities Commission of PNG and does not comply with the provisions of the Capital Markets Act 2015 of the Independent State of PNG. Accordingly, the New Shares have not been, and will not be, offered in PNG other than in circumstances where the offer qualifies as an "excluded offer" or "excluded invitation" (as such terms are defined in the Capital Markets Act 2015). Accordingly, the New Shares will be offered only to existing shareholders of the Company.

The contents of this Offer Document have not been reviewed or approved by any PNG regulatory authority. No advertisement, invitation or document relating to the New Shares has been, or will be, issued in PNG or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of PNG (except if permitted to do so under the Capital Markets Act 2015).

South Africa

This Offer Document may be distributed in South Africa only to existing shareholders of the Company. This Offer Document does not constitute a prospectus prepared and registered under the South African Companies Act and may not be distributed to the public in South Africa.

An entity or person resident in South Africa may not implement participation in the Offer unless (i) permitted under the South African Exchange Control Regulations or (ii) a specific approval has been obtained from an authorised foreign exchange dealer in South Africa or the Financial Surveillance Department of the South African Reserve Bank.

Thailand

This Offer Document is not intended to be an offer, sale or invitation for subscription or purchase of securities in Thailand. This Offer Document has not been registered as a prospectus with the Office of the Securities and Exchange Commission of Thailand. Accordingly, this Offer Document and any other document relating to the offer, sale or invitation for subscription or purchase, of the New Shares may not be circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public of Thailand. This Offer Document may be distributed in Thailand only to existing shareholders of the Company.

United Arab Emirates

This Offer Document does not constitute a public offer of securities in the United Arab Emirates and the New Shares may not be offered or sold, directly or indirectly, to the public in the UAE. Neither this Offer Document nor the New Shares have been approved by the Securities and Commodities Authority or any other authority in the UAE.

This Offer Document may be distributed in the UAE only to existing shareholders of the Company and may not be provided to any person other than the original recipient. Information about the Offer may be found in this Offer Document and on the Company's website. If a recipient of this Offer Document ceases to be a shareholder of the Company at the time of subscription, then such person should discard this Offer Document and may not participate in the Offer.

No marketing of the New Shares has been, or will be, made from within the UAE other than in compliance with the laws of the UAE and no subscription for any securities may be consummated within the UAE (excluding the Dubai International Financial Centre and the Abu Dhabi Global Market).

No offer or invitation to subscribe for New Shares is valid, or permitted from any person, in the Abu Dhabi Global Market or the Dubai International Financial Centre.

United Kingdom

Neither this Offer Document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this Offer Document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Offer Document is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company. This Offer Document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Offer Document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this Offer Document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

United States

The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The only persons in the United States who may participate in the Offer are shareholders of the Company who are "accredited investors" (as defined in Rule 501(a) under the US Securities Act).

In order to participate in the Offer, a US shareholder must sign and return a US investor certificate, together with an application form, that is available from the Company to confirm, amongst other things, that the US shareholder is an accredited investor.

1.5 Notice to nominees and custodians

Nominees and custodians may not distribute this document, and may not permit any beneficial shareholder to participate in the Offer, in any country outside Australia, Brunei, British Virgin Islands, Canada (Alberta and Ontario provinces only), Malaysia, New Zealand, Papua New Guinea, Singapore, South Africa and the United Arab Emirates (excluding Dubai International Financial Centre and the Abu Dhabi Global Market) except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Offer.

Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

1.6 Forward-looking statements

This Offer Document contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Offer Document, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Offer Document will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Offer Document, except where required by law.

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5 of this Offer Document.

1.7 Privacy Act

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers,

regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your application.

2. CORPORATE DIRECTORY

Directors

Russell Tipper
*Independent Non-Executive
Chairman*

Jacob Deysel
*Managing Director and Chief
Executive Officer*

Nonhlanhla Debbie Ntombela
Non-Executive Director

Zamile David Qunya
Non-Executive Director

Guy Walker
Non-Executive Director

Company Secretary

Fletcher Hancock

Registered Office

Unit 2, 59 Belmont Avenue
BELMONT WA 6104

ASX Code

MRC

Telephone: + 61 8 6373 8900
Email: info@mncom.com.au
Website:
www.mineralcommodities.com

Share Registry*

Link Market Services Limited
Level 12, QV1 Building
250 St Georges Terrace
PERTH WA 6000

Auditor*

BDO Audit (WA) Pty Ltd
Level 9, Mia Yellagonga Tower 2, 5
Spring Street
PERTH WA 6000

Legal Advisers

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

*These parties have been included for information purposes only. They have not been involved in the preparation of this Offer Document.

3. DETAILS OF THE OFFER

3.1 The Offer

The Offer is being made as a non-renounceable entitlement offer of one (1) New Share for every three (3) Shares held by Eligible Shareholders registered at the Record Date at an issue price of \$0.075 per New Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as set out in Section 3.6 of this Offer Document, a maximum of approximately 186,273,118 Shares will be issued pursuant to this Offer to raise up to \$13,970,484.

As at the date of this Offer Document, the Company has no Options on issue, however the Company currently has Performance Rights on issue (refer to Section 3.6). These Performance Rights may be converted into Shares prior to the Record Date, and accordingly the holders of these Performance Rights would be Eligible Shareholders.

All of the Shares offered under this Offer Document will rank equally with the Shares on issue at the date of this Offer Document.

The Directors may at any time decide to withdraw this Offer Document and the offer of Shares made under this Offer Document in which case the Company will return all Application monies (without interest) within 28 days of giving such notice of withdrawal.

3.2 Use of Funds

As announced to ASX on 3 October 2022, the Company has recently completed a placement of Shares to its largest Shareholder, AU Mining, to raise \$1,749,654 (**Placement**). Monies raised by the Offer, together with funds received under the Placement will result in an increase in cash in hand of up to approximately \$15,720,138 (before the payment of costs associated with the Offer).

The Company intends to apply the funds raised under the Offer and Placement as follows:

Items of Expenditure	\$	%
Graphite anode pilot plant	4.3	27.4
PFS and DFS graphite anode commercial plant module	0.8	3.2
3rd PCP at Tormin	4.3	8.3
Tormin downstream production development	0.5	4.5
Mining method adjustment PFS and DFS at Tormin	1.3	2.5
De punt resource and reserve drilling, adjacent to Tormin	0.7	27.4
Tormin Inland Strand reserve expansion and extension	0.4	5.1
Expenses of the Offer	0.4	2.5
Working capital	3.0	19.1

Items of Expenditure	\$	%
Total	15.7	100.0

On completion of the Offer and taking into account existing cash reserves, the Board believes the Company will have sufficient working capital to achieve its stated objectives. In the event the Offer is not fully subscribed, operational objectives are likely to be modified, which may result in delay or substantial changes to the Company's future plans. In this event (and after accounting for associated Offer costs) the Company will prioritise funds available for short term growth strategic projects within the Company's heavy minerals division and general working capital, prior to medium term future growth strategic projects within the battery minerals division.

In addition, it should be noted that the Company's budgets and forecasts will be subject to modification on an ongoing basis depending on the results achieved from its business activities and operations.

The above table is a statement of the Board's current intentions as at the date of this Offer Document.

3.3 Indicative Timetable

Event	Date**
Lodgement of Appendix 3B and s708AA Cleansing Notice with ASX (Prior to the commencement of trading) and Offer document released to ASX	Prior to the commencement of trading on Friday, 7 October 2022
Ex-date	Tuesday, 11 October 2022
Record Date for determining Entitlements	Wednesday, 12 October 2022
Offer Document sent out to Eligible Shareholders & Company announces this has been completed & Offer Opening Date	Monday, 17 October 2022
Last day to extend the Closing Date*	Friday, 21 October 2022
Closing Date as at 5:00pm (WST)*	Wednesday, 26 October 2022
Shares quoted on a deferred settlement basis	Thursday, 27 October 2022
ASX and Underwriters notified of under subscriptions	Monday, 31 October 2022
Issue date/Shares entered into Shareholders' security holdings and lodgement of Appendix 2A with ASX	Wednesday, 2 November 2022 (before noon Sydney Time)
Quotation of Shares issued under the Offer	Thursday, 3 November 2022

* Subject to the ASX Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.

** These dates are indicative only and are subject to change.

3.4 Entitlements and acceptance

Details of how to apply under the Offer are set out in Section 4 of this Offer Document.

The Entitlement of Eligible Shareholders to participate in the Offer will be determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance form accompanying this Offer Document.

You can also apply for additional New Shares under the Shortfall Offer in addition to your Entitlement by following the instructions set out in Section 4. The Shortfall Offer is described in Section 3.11.

3.5 No rights trading

The rights to New Shares under the Offer are non-renounceable. Accordingly, there will be no trading of rights on the ASX, and you may not dispose of your rights to subscribe for New Shares under the Offer to any other party. If you do not take up your Entitlement to New Shares under the Offer by the Closing Date, the Offer to you will lapse.

3.6 Capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted, is set out below.

Shares	Number
Shares currently on issue ¹	558,819,354
New Shares offered pursuant to the Offer ¹	186,273,118
Total Shares on issue after completion of the Offer²	745,092,472

Notes:

1. Including 23,328,720 Shares issued pursuant to the Placement.
2. This number may vary due to rounding of Entitlements and may increase as a result of the rounding up of New Shares offered under the Offer.

Performance Rights

Performance Rights	Number
Performance Rights currently on issue	27,700,000
Performance Rights to be issued under the Offer	Nil

The capital structure on a fully diluted basis as at the date of this Offer Document would be 586,519,354 Shares and on completion of the Offer (assuming all Entitlements are accepted, and no vested Performance Rights are converted into Shares prior to the Record Date) would be 772,792,472 Shares.

No Shares or Performance Rights on issue are subject to escrow restrictions, either voluntary or ASX imposed.

3.7 Dilution

Shareholders should note that if they do not participate in the Offer, their holdings

are likely to be diluted by approximately 25% (as compared to their holdings and number of Shares on issue as at the date of this Offer Document).

Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record date	Approximate % at Record Date ¹	Entitlements under the Offer	Holdings if Offer not taken Up	Approximate % post Offer
Shareholder 1	50,000,000	8.95%	16,666,667	50,000,000	6.71%
Shareholder 2	25,000,000	4.47%	8,333,333	25,000,000	3.36%
Shareholder 3	10,000,000	1.79%	3,333,333	10,000,000	1.34%
Shareholder 4	1,000,000	0.18%	333,333	1,000,000	0.13%
Shareholder 5	100,000	0.02%	33,333	100,000	0.01%

Notes:

1. This is based on a share capital of 558,819,354 Shares at the date of this Offer Document.

3.8 Directors Interests and Participation

None of the Directors have an interest in the securities of the Company at the date of this Offer Document.

3.9 Underwriting

The Offer is partially underwritten by:

- the Company's largest shareholder, AU Mining Limited (**AU Mining**), for an amount of up to \$6,600,000;
- Managing Director Jacob Deysel, for an amount of up to \$100,000; and
- Non-Executive Director Guy Walker, for an amount of up to \$100,000,

(together, the **Underwriters**), pursuant to separate underwriting agreements between the Company and each Underwriter.

The Company will pay each of the Underwriters a fee of 3% of the relevant underwritten amount for underwriting the subscription of the underwritten amount on the issue date.

Each underwriting agreement is on the same terms (other than the underwriting amount), such terms are summarised in Section 6.

The maximum potential increase in voting power to each of AU Mining and Messrs Deysel and Walker as a result of their respective Underwriting Agreements are set out below.

Underwriter	Current Voting power	Entitlement	Underwriting	Maximum voting power
AU Mining	31.14%	58,000,960	88,000,000	45.23%

Jacob Deysel	Nil	Nil	1,333,333	0.18%
Guy Walker	Nil	Nil	1,333,333	0.18%

Notes:

1. Assumes shares on issue as at the date of this Offer Document of 558,819,354 Shares.
2. Maximum voting power following the Offer has assumed: (i) all Shares are issued pursuant to the Offer; (ii) all Underwriters comply with their respective obligations to subscribe for underwritten Shares pursuant to their respective Underwriting Agreement; (iii) no other Shareholder subscribes for their Entitlement other than AU Mining; and (iv) the Company will have 707,486,980 Shares on issue following completion of the Offer.

The table below sets out AU Mining's voting power in the Company following completion of the Offer under several scenarios relating to the percentage acceptance of Entitlements under the Rights Issue. This table assumes AU Mining holds 174,002,880 Shares as at the date of this Offer Document, that AU Mining always takes up its Entitlement as a shareholder in the Company that all Underwriters comply with their respective obligations to subscribe for underwritten Shares pursuant to their respective Underwriting Agreement, and that there are no applications for Shares under the Shortfall Offer.

Event	Number of Shares held by AU Mining	Voting power of AU Mining (%)
100% take up from Eligible Shareholders	232,003,840	31.14%
75% take up from Eligible Shareholders	264,071,880	35.44%
50% take up from Eligible Shareholders	296,137,675	39.75%
25% take up from Eligible Shareholders	320,003,840	43.27%
0% take up from Eligible Shareholders	320,003,840	45.23%

The number of Shares held by AU Mining and its voting power in the table above show the potential effect of the underwriting of the Offer. However, it is unlikely that no Shareholders will take up entitlements under the Offer. The underwriting obligation and therefore voting power of AU Mining will reduce by a corresponding amount for the amount of Entitlements under the Offer taken up by Shareholders.

To the best of the Company's knowledge and upon completion of the Offer, 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 Company.

The Company notes that no Shares will be issued to an applicant under this Offer Document or via the Shortfall Offer (refer to Section 3.11 below) if the issue of Shares would contravene the takeover prohibition in section 606 of the Corporations Act. Similarly, no Shares will be issued via the Shortfall Offer to any related parties of the Company.

3.10 Effect of the Offer on control and voting power in the Company

The Company's substantial holders and their entitlement prior to the Offer are set out in the table below.

Substantial Holder	Shares	Voting Power (%) ³	Entitlement	\$
AU Mining Limited ¹	174,002,880	31.14	58,000,960	4,350,072
HSBC Custody Nominees (Australia) Limited ^{2, 4}	117,883,318	21.10	39,294,439	2,947,083
Citicorp Nominees Pty Limited ^{2, 4}	81,163,089	14.52	27,054,363	2,029,077
SIMTO Resources Pty Ltd ^{2, 4}	55,401,497	9.91	18,467,166	1,385,037

Notes:

1. AU Mining's current shareholding is made up of (i) shareholding as in the Company's latest annual report (150,674,160); plus (ii) Shares subscribed for and issued to AU Mining in the recently completed placement (23,328,720). AU Mining has indicated it will take up its full entitlement. The potential increase to AU Mining's voting power is set out in Section 3.9 above.
2. The Company has not received any indication from these entities whether received any indication from these entities whether they intend to take up any or all of their Entitlement, or whether they intend to participate in the Shortfall Offer.
3. The voting power in the table is prior to completion of the Offer.
4. The above table is based on publicly available information and otherwise as disclosed in the most recent substantial holder notices released by these entities. The Company notes the voting power disclosure set out above may not be current and accurate.

The potential effect that the issue of the New Shares under the Offer will have on the control of the Company is as follows:

- (a) if all Eligible Shareholders take up their entitlements under the Offer, the issue of Shares under the Offer will have no effect on the control of the Company and all shareholders will hold the same percentage interest in the Company;
- (b) in the more likely event that there is a shortfall, Eligible Shareholders who do not subscribe for their full entitlement of Shares under the Offer will be diluted relative to those shareholders who subscribe for some or all of their entitlement as shown by the table in section 3.7; and
- (c) in the circumstance described in (b) above, Eligible Shareholders will be entitled to top-up their shareholding by subscribing for additional Shares under the Shortfall Offer, as detailed in section 3.11.

Notwithstanding the potential increase in voting power of AU Mining, the Company understands that, other than as disclosed in this Offer Document and previously announced by the Company, AU Mining does not have a present intention of making any significant changes to the current business plans or management of the Company.

These intentions are based on information concerning the Company, its business and the business environment which is known to the Directors at the date of this Offer Document.

These present intentions may change as new information becomes available, as circumstances change or in the light of all material information at the relevant time.

3.11 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer. The Shortfall Offer is a separate offer pursuant to this Offer Document and will close on the Closing Date.

Eligible Shareholders are entitled to apply for Shares under the Shortfall Offer (**Shortfall Shares**) subject to such applications being received by the Closing Date. The issue price for each Shortfall Share shall be \$0.075, being the price at which Shares have been offered under the Offer.

Allocation of the Shortfall Shares will be at the discretion of the Company, following consultation with the Underwriters, and will otherwise be subject to the terms of the Underwriting Agreements, as detailed in Section 6. Shortfall Shares will be allocated in an equitable and proportional manner by reference to existing shareholdings.

The Company cannot guarantee that an Applicant will receive the number of Shortfall Shares they apply for under the Shortfall Offer. If an Applicant does not receive any or all of the Shortfall Shares which they applied for under the Shortfall Offer, the excess Application Monies will be returned to that Applicant without interest.

The Company notes that no Shares will be issued to an Applicant under this Offer Document or via the Shortfall Offer if the issue of Shares would contravene the takeover prohibition in section 606 of the Corporations Act. Similarly, no Shares will be issued via the Shortfall Offer to any related parties of the Company.

If Eligible Shareholders wish to apply for any Shortfall Shares they should complete the relevant section of the Entitlement and Acceptance Form.

3.12 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of release of this Offer Document and the respective dates of those sales were:

	(\$)	Date
Highest	0.10	19 September and 15 September 2022

Lowest	0.073	8 September 2022 and 3 October 2022
Last	0.075	6 October 2022

3.13 Opening and Closing Dates

The Offer opens on the Opening Date, being Monday, 17 October 2022, and closes on the Closing Date, being 5:00pm (WST) on Wednesday, 26 October 2022 (or such other dates as the Directors in their discretion shall determine subject to the ASX Listing Rules). The Company will accept Entitlement and Acceptance Forms until the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the ASX Listing Rules.

3.14 Issue and dispatch

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and the indicative timetable set out in Section 3.3 of this Offer Document. Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis.

Pending the issue of the Shares or payment of refunds pursuant to this Offer Document, all Application monies will be held by the Registry in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest by completing and returning the Entitlement and Acceptance Form.

The expected dates for issue of New Shares offered by this Offer Document and dispatch of holding statements is expected to occur on the dates specified in the Timetable set out in Section 3.3 of this Offer Document.

It is the responsibility of Applicants to determine the allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

3.15 ASX listing

Application for official quotation by ASX of the New Shares offered pursuant to this Offer Document will be made.

The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

3.16 CHESS

The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares allotted to them under this Offer Document. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

3.17 Risk Factors

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are non-exhaustive. Please refer to Section 5 of this Offer Document for further details.

3.18 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Offer Document.

3.19 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX and, as such, the Company is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules.

Specifically, the Company is required to notify ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the securities markets conducted by the ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of its securities.

This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include information that would be included in a disclosure document or which investors ought to have regard to in deciding whether to subscribe for Shares under the Offer. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

All announcements made by the Company are available from its website www.mineralcommodities.com or the ASX www.asx.com.au.

Additionally, the Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors' statement and report, and an audit report or review. These reports are released to ASX and published on the Company's and the ASX websites.

This Offer Document (including the Entitlement & Acceptance Form) and the contracts that arise from acceptance of the Applications are governed by the laws applicable in Western Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of Western Australia.

3.20 Enquiries concerning Offer Document

Enquiries relating to this Offer Document should be directed to the Company on +61 8 6373 8900.

4. ACTION REQUIRED BY SHAREHOLDERS

4.1 How to Accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Offer Document. You may participate in the Offer as follows:

- (a) **if you wish to accept your Entitlement in full:**
 - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
 - (ii) attach your cheque or arrange payment by BPAY® for the amount indicated on the Entitlement and Acceptance Form; or
- (b) **if you only wish to accept part of your Entitlement:**
 - (i) fill in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque or arrange payment by BPAY® for the appropriate Application monies (at \$0.075 per New Share); or
- (c) **if you wish to apply for your Entitlement in full and apply for additional Shares under the Shortfall Offer (which will be issued at the sole discretion of the Company in consultation with the Underwriters):**
 - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided;
 - (ii) fill in the number of Shares you wish to apply for over and above your Entitlement in the space provided on the Entitlement and Acceptance Form; and
 - (iii) attach your cheque or arrange payment by electronic funds transfer (EFT) or BPAY® for the appropriate Application monies (at \$0.075 per New Share);
- (d) **if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.**

Your completed Entitlement and Acceptance Form and payment must reach the Registry no later than 5:00pm (WST) on the Closing Date.

If you are in the United States, you must also sign and return a US Investor Certificate that is available from the Company Secretary.

The Offer is non-renounceable. Accordingly, a holder of Shares may not sell or transfer all or part of their Entitlement.

4.2 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Offer Document and the

accompanying Entitlement and Acceptance Form, and read them both in their entirety;

- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application monies, the Application may not be varied or withdrawn except as required by law; and
- (c) If you are outside Australia, you are permitted to participate in the Offer as contemplated in Section 1.4 (Overseas Shareholders).

4.3 Payment by cheque

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Mineral Commodities Limited" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry at the address set out on the Entitlement and Acceptance Form by no later than 5:00pm WST on the Closing Date.

4.4 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 5:00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

5. RISK FACTORS

5.1 Introduction

The Shares offered under this Offer Document should be considered speculative because of the nature of the Company's business.

There are numerous risk factors involved with the Company's business. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which securities will trade.

The following is a summary of the more material matters to be considered. However, this summary is not exhaustive and potential investors should examine the contents of this Offer Document in its entirety and consult their professional advisors before deciding whether to apply for the New Shares.

5.2 Key investment risks

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. Prospective investors should read this Offer Document in its entirety before deciding whether to apply for Shares under this Offer Document.

These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the New Shares in the future. Accordingly, an investment in the Company should be considered speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Offer Document.

(a) Potential for dilution

Upon implementation of the Offer, (assuming all Entitlements are accepted and no other Shares are issued including on exercise or conversion of Options prior to the Record Date), the number of Shares in the Company will increase from 558,819,354 Shares currently on issue to 745,092,472 Shares. This means that immediately after the Offer each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company, a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the Offer Document being lodged of \$0.075 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

(b) Control risk

AU Mining is currently the largest Substantial Shareholder of the Company and has a relevant interest in approximately 31.14% of the Shares in the Company. Assuming AU Mining take up their full Entitlements and underwriting obligation, there is a limited take up of the Entitlements and there is no participation in the Shortfall, the voting power of AU Mining in the Company could increase to up to 45.23%.

This significant interest means that AU Mining and its associates may be in a position to potentially influence the financial decisions of the Company, and their interests may not align with those of all other Shareholders.

(c) **Litigation Claims and legal proceedings**

The Company is currently party to a number of litigation matters, as summarised below:

Matter	Description	Status
Defamation matters (x3)	<p>The Company is currently defending itself against various defamatory claims and allegations made by South African nationals.</p> <p>Claims relate to (variously) alleged human rights violations, violence against environmental activists, bribery, violence, forgery, threatening behaviour environmental breaches, and misleading the community.</p> <p>The Company has commenced three (3) separate proceedings to defend itself against these claims.</p>	<p>The Company has claimed in court these various public statements are defamatory.</p> <p>Matters are in interlocutory stage, and the Company is considering its position pending a hearing date being determined.</p>
Tormin tenement applications (x3)	<p>(a) Internal review appeal in respect of 162&163EM</p> <p>(b) Suspension application pending outcome of internal review appeal of 162&163EM</p> <p>(c) judicial review application in respect of Environmental Authorisation over 162&163EM</p>	<p>These matters are stayed pending the parties' compliance with Consent Orders. The parties to these matters are currently negotiating the finalisation of those requirements.</p>
SARS diesel refund dispute	<p>South African Revenue Service is disputing MRC's diesel rebate claims and is withholding the respective monetary amounts MRC maintains it is entitled to.</p>	<p>Proceedings ongoing.</p>
Insurance claim dispute concerning	<p>Claim concerns the failure of insurance company to offer "Terms of Settlement" following damage to certain of the</p>	<p>Matter is pending before the Courts.</p>

Matter	Description	Status
MSR00095	Company's equipment. The parties are negotiating the pathway to a litigated outcome including the requirement to commence arbitration.	

The Company may become party to various other legal proceedings that arise in the ordinary course of its business. For example, the ability of the Company to achieve its objectives will depend on the performance by other parties to contracts which the Company may enter. If a party defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy. Legal action can be costly and there can be no guarantee that a legal remedy will be ultimately granted on the appropriate terms.

(d) **Risks related to mining operational activities**

The Company's operations comprise a global mining and development group with a primary focus on the development of high-grade deposits within the mineral sands and battery minerals sectors. The Company's operations generally involve a high degree of risk and are subject to all the hazards and risks normally encountered in the mining and development of mineral deposits. These include rock bursts, cave-ins, adverse weather conditions, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risks are, and will continue to be, taken, the Company's operations are subject to risks which may result in environmental pollution and possible liability.

The Company's projects are established mining operations undergoing brownfields expansion developments. Expenditures made or further drilling results are no guarantee for further developments or discoveries of profitable commercial mining operations. Lack of availability of drilling rigs could cause increased project expenditures and/or project delays.

The Company's heavy mineral operational development of the Inland Strands involve significant risks to develop metallurgical processes and to construct mining and processing facilities, given the differences to historical beach mining. Although adequate precautions to minimize risks are, and will continue to be, taken, the Company's Inland Strands operation is subject to risks which may result in delays or potential performance below expectations.

(e) **Exploration Risk**

The exploration for and development of mineral deposits involve significant risks which even careful evaluation, experience and knowledge may not eliminate. While the discovery of minerals may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expense may be incurred to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is

not possible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure, commodity prices which are highly cyclical, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

If any adverse event relating to exploration, mining and/or development should occur, then it could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

(f) **Risk of inaccurate estimates**

There is considerable uncertainty inherent in estimating the size and value of mineral resources and reserves. The reservoir technique is a subjective and inexact process where the estimation of the accumulation of mineral resources and reserves cannot be accurately measured. In order to evaluate the recoverable mineral volumes, a number of geological, geophysical, technical and production data must be evaluated. The evaluation conducted in relation to the Company's mineral sands or graphite operations may later prove to be inaccurate, and there is a real risk that estimated resources and reserves may be adjusted downward.

For example, mineral sands mined may be of a different quality, tonnage or strip ratio from the estimates. Resource estimates are necessarily imprecise and depend to some extent upon interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustment to the estimates of mineral resources and reserves could affect the Company's development and mining plans, which could have a materially adverse effect on the Company's business, financial condition, results of operations, cash flows and/or prospects.

(g) **Risk of uninsured losses**

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, unusual or unexpected geological conditions, ground or slope failures, cave-ins, contamination, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, snow falls and avalanches. Such occurrences could have a material adverse effect on the Company's business, operating result or financial condition.

Although the Company holds comprehensive property and equipment insurance, as well as business interruption insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with a mining company's operations. If such risks or hazards occur, it could have material adverse effect on the Company's business, financial position, results of operations, cash flows and/or prospects.

(h) **Black economic empowerment and social development**

The Company must comply and remain compliant with the South African Mining Charter, the Mining Codes and the black economic empowerment ("BEE") participation requirements, procurement transformation and the approved social and labour plan in order to retain prospecting and mining rights. Any failure to satisfy these requirements could jeopardise any prospecting or mining rights held and impede the Company's ability to acquire, develop or maintain any additional prospecting and mining rights, all of which could have a material adverse effect on the Company's business, results of operations, financial condition, cash flows and/or prospects.

The latest Mining Charter promulgated in 2018 requires, inter alia, the implementation of an effective ownership structure which comprises a minimum:

- (a) 20% Black economic empowerment entrepreneur participation;
- (b) 5% historically disadvantaged South African employee participation; and
- (c) 5% local community participation (this may be in the form of delivery of an "equity equivalent benefits" in place of an actual equity interest).

The Company is also required to transition to compliance with the Inclusive Procurement, Supplier and Enterprise Development provisions of the Mining Charter 2018.

The Mining Charter 2018 requires entities to comply with these requirements within certain timeframes including as an effective condition precedent to the grant of any new tenure.

The Company is therefore required to restructure its BEE arrangements in order to comply with the above requirements. A review of those arrangements and the requisite steps to ensure compliance is underway which requires consultation with the Company's BEE partner, employees and community interests.

5.3 General Risks

(a) **COVID-19 risk**

The outbreak of the coronavirus disease (**COVID-19**) is continuing to impact global economic markets. The market price of Shares may be adversely affected by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

In addition, the effects of COVID-19 on the market price of the Shares and global financial markets generally may also affect the Company's ability to raise equity or debt if and when required or require the Company to issue capital at a discount, which may result in dilution for some or all Shareholders.

(b) **Additional requirements for capital**

The funds raised under the Offer complement the Company's existing cash reserves and available current assets, and are considered sufficient to meet the current proposed objectives of the Company. Additional funding may be required in the event future costs exceed the Company's estimates or future revenues are below the Company's estimates and to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur.

The Company may seek to raise further funds through equity or debt financing, joint ventures or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of operations and further development programmes. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

(c) **General economic conditions**

Economic conditions, both domestic and global, may affect the performance of the Company. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, shipping supply chains, general supply and demand and industrial disruption may have an impact on operating costs and share market prices. The Company's future possible revenues and Share price can be affected by these factors, all of which are beyond the control of the Company or its Directors.

(d) **Equity market conditions**

Securities listed on the stock market can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.

General factors that may affect the market price of Shares include economic conditions in both Australia and internationally (particularly Australian, US and Chinese economic conditions), investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(e) **Regulatory Risk and change in government policy and legislation**

The Company's operations require governmental approvals. There is a risk that onerous conditions may be attached to the approvals or that the grant of approvals may be delayed or not granted. The Company is also subject to extensive laws and regulations relevant for mining operations, in particular to environmental and operational issues, which has become more stringent over time. Compliance with respect to environmental

regulations, closure and other matters may involve significant costs and/or other liabilities.

Any material adverse changes in relevant government policies or legislation of Australia, South Africa or Norway may affect the viability and profitability of the Company, and consequent returns to investors. The activities of the Company are subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards and occupational health and safety, and other matters.

(f) **Sovereign Risk and risk relating to international trade laws and regulations**

The Company's projects are situated in Australia, South Africa and Norway, and are thus subject to the risk associated in operating in foreign countries. These risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, labour relations as well as government control over natural resources or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

Business expansion may expose the Company to more extensive trade laws and regulations. Import activities may also be governed by unique customs laws and regulations. Moreover, many countries control the export and re-export of certain goods, services and technology and impose related export recordkeeping and reporting obligations. Governments also may impose economic sanctions or embargoes against certain countries, persons and other entities that may restrict or prohibit transactions involving such countries, persons and entities. The laws and regulations concerning import activity, export record keeping and reporting, export control and economic sanctions are complex and constantly changing. These laws and regulations may be enacted, amended, enforced or interpreted in a manner that materially impacts the Company's operations. Further, there can be no assurance that relevant sanction regimes will not be expanded to include countries in which the Company currently operates or that the Company will not expand its operations into countries subject to sanctions. Any failure to comply with applicable legal and regulatory trading obligations could also result in criminal and civil penalties and sanctions, such as fines, imprisonment, debarment from government contracts, loss of import and export privilege, and damage to the Company's reputation.

(g) **Competition Risk**

The mineral industry is highly competitive in all its phases. There is strong competition for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other exploration and production companies, many of which may have greater financial resources, staff and facilities than those of the Company. These companies may have strong market power as a result of several factors, such as the diversification and reduction of risk, including geological, price and currency risks; better financial strength facilitating major capital expenditures; greater integration and the exploitation of economies of scale in technology and organization; stronger technical experience; better infrastructure and reserves; and

stronger brand recognition. Due to this competitive environment, the Company may be unable to acquire attractive suitable properties or prospects on terms that it considers acceptable. As a result, the Company's revenues may decline over time, thereby materially and adversely affecting its financial condition, business, cash flow, prospects and/or results.

(h) **Technology Risk**

The development of the Company's battery minerals division to become a sustainable, vertically integrated graphitic anode supplier in Europe, involves technology risk associated with upgrading graphite concentrate to graphitic anode, qualification of graphitic anode supply with customers and development of active anode materials production plants.

5.4 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Offer Document. Therefore, the Shares to be issued pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Offer Document.

6. SUMMARY OF UNDERWRITING AGREEMENTS

In total, the Company has entered into agreements with three Underwriters. The Underwriters have each agreed to subscribe for a separate amount of underwritten Shares, pursuant to their respective Underwriting Agreement.

Underwriter	Underwriting commitment	Maximum Number of Shares per Underwriting
AU Mining	\$6,600,000	88,000,000
Jacob Deysel	\$100,000	1,333,333
Guy Walker	\$100,000	1,333,333
	\$6,800,000	90,666,666

The Company will pay each of the Underwriters a fee of 3% of the relevant underwritten amount for underwriting the subscription of the underwritten amount on the issue date.

The Underwriting Agreements contain a number of indemnities, representations and warranties from the Company to each Underwriter that are considered standard for an agreement of this type.

The obligation of each Underwriter to underwrite the Offer is subject to certain events of termination. An Underwriter may terminate its obligations under their respective Underwriting Agreement if:

- (a) **(Offer Document)**: the Company does not dispatch the Offer Document to Shareholders in accordance with the Timetable or the Offer Document or the Offer is withdrawn by the Company; or
- (b) **(Offer Materials)**: a statement contained in the Offer Document or any other announcements, advertisements, media statements, publicity or roadshow materials published by the Company or with its consent relating to the Offer is or becomes misleading or deceptive or likely to mislead or deceive, or omits any information they are required to contain (having regard to the provisions of section 708AA of the Corporations Act and any other applicable requirements); or
- (c) **(proceedings)**: ASIC or any other person proposes to conduct any enquiry, investigation or proceedings, or to take any regulatory action or to seek any remedy, in connection with the Offer, or publicly foreshadows that it may do so; or
- (d) **(unable to issue Shares)**: the Company is prevented from issuing Shares within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority; or
- (e) **(future matters)**: any statement or estimate in the Offer Document which relates to a future matter is or becomes incapable of being met or, in the reasonable opinion of the Underwriter, unlikely to be met in the projected timeframe; or

- (f) **(no quotation approval)**: the Company fails to lodge an Appendix 2A in relation to the Total Underwritten Shares with ASX by the time required by the Corporations Act, the Listing Rules or any other regulation; or
- (g) **(ASIC application)**: an application is made by ASIC for an order under Section 1324B or any other provision of the Corporations Act in relation to the Offer Document, and that application has not been dismissed or withdrawn on or before 27 October 2022; or
- (h) **(offence)**: a director or senior manager of the Company or any of its subsidiaries is charged with an indictable offence, or any director of those entities is disqualified from managing a corporation under the Corporations Act; or
- (i) **(certificate)** the Company fails to furnish a certificate by 9.30am on 27 October 2022 which states that the Company has complied in all material respects with the Underwriting Agreement, or any statement in that certificate is untrue, inaccurate, incomplete or misleading or deceptive in any material respect; or
- (j) **(cleansing statement)**: the Company ceases to be capable of issuing, at the date of issue of any Shortfall Securities, a notice under Section 708A(5)(e) of the Corporations Act to allow secondary trading of any Shortfall Shares; or
- (k) **(termination events)**: where any of the following events occurs and, in the reasonable opinion of the Underwriter reached in good faith, it has or is likely to have, or those events together have, or could reasonably be expected to have, a Material Adverse Effect or could give rise to a liability of the Underwriter under the Corporations Act:
 - (i) **(default)**: default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
 - (ii) **(incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect in a material respect;
 - (iii) **(contravention of constitution or Act)**: a material contravention by the Company or any of its subsidiaries of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
 - (iv) **(misleading information)**: any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of the Company or any of its subsidiaries is or becomes misleading or deceptive or likely to mislead or deceive;
 - (v) **(official quotation qualified)**: the official quotation is qualified or conditional;
 - (vi) **(Event of Insolvency)**: an Event of Insolvency (as defined in the Underwriting Agreement) occurs in respect of the Company or any of its subsidiaries;

- (vii) (**Judgment**): a judgment in an amount exceeding \$1,000,000 is obtained against the Company or any of its subsidiaries and is not set aside or satisfied within 7 days;
- (viii) (**Timetable**): any date in the Timetable (see section 3.3) is not met for more than two (2) Business Days otherwise than as the direct result of actions taken by the Underwriter (unless those actions were requested by the Company) or the actions of the Company (where those actions were taken with the prior consent of the Underwriter);
- (ix) (**Capital Structure**): the Company or any of its subsidiaries alters its capital structure in any manner not contemplated by the Offer Document excluding the issue of any Shares upon exercise of options, such options having been disclosed to the ASX as at the date of the Underwriting Agreement.

7. DEFINED TERMS

\$ means an Australian dollar.

Additional Shares means those New Shares not issued under the Offer.

Applicant refers to a person who submits an Entitlement and Acceptance Form, or submits a payment of subscription monies in respect of the Offer.

Application refers to the submission of an Entitlement and Acceptance Form or Shortfall Application Form (as the case may be).

ASX means ASX Limited (ACN 008 624 691) or, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules means the Listing Rules of the ASX.

Business Day means a day that is not a Saturday, Sunday or public holiday in Western Australia.

Closing Date means the closing date set out in Section 3.3 or such other date as may be determined by the Directors.

Company means Mineral Commodities Limited (ACN 008 478 653).

Corporations Act means the *Corporations Act 2001* (Cth).

Directors mean the directors of the Company.

Eligible Shareholder means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date and who resides within Australia or is permitted to participate in the Offer as contemplated in Section 1.4.

Entitlement means the entitlement to subscribe for 1 New Share for every 3 Shares held by an Eligible Shareholder on the Record Date.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Document.

Material Adverse Effect means:

- (a) a material adverse effect on the outcome of the Offer or on the subsequent market for the Total Underwritten Shares (including, without limitation, a material adverse effect on a decision of an investor to invest in the Total Underwritten Shares); or
- (b) a material adverse effect on the condition, trading or financial position and performance, profits and losses, results, prospects, business or operations of the Company and its subsidiaries taken as a whole.

New Share means a new Share proposed to be issued pursuant to this Offer.

Offer or **Rights Issue** means the pro rata non-renounceable offer of New Shares at an issue price of \$0.075 each on the basis of one (1) New Share for every three (3) Shares held on the Record Date subscribed for pursuant to this Offer Document.

Offer Document means this Offer Document.

Record Date means the record date set out in Section 3.3 of this Offer Document.

Section means a section of this Offer Document.

Share means an ordinary fully paid share in the capital of the Company.

Shareholder means a holder of Shares.

Shortfall Shares means the number of Total Underwritten Shares for which valid Applications have not been received by 5:00pm (WST) on the Closing Date.

Shortfall Offer has the meaning given to that term in Section 3.11 of this Offer Document.

Total Underwritten Shares means the aggregate of New Shares for which the Company has entered into Underwriting Agreements.