



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

7 October 2022

Dear Sir / Madam

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

Mineral Commodities Limited (the **Company**) (ASX:MRC) is pleased to announce that it is undertaking a partially underwritten non-renounceable pro rata rights offer to raise up to approximately A\$13,970,484 (before costs) (**Rights Issue**).

The Company is also pleased to announce it has received commitments from the Company's largest shareholder, Au Mining Limited (**Au Mining**), to subscribe for 23,328,720 fully paid shares in the capital of the Company (**Shares**) to raise A\$1,749,654 (before costs) at an issue price of \$0.075 per Share (**Placement**). The Placement was completed on 5 October 2022.

Under the Rights Issue, all of the Company's shareholders who are registered holders of Shares on the Record Date, being 5.00pm (AEST) on 10 October 2022 (**Eligible Shareholders**) will be invited to subscribe for one (1) new fully paid Share (**New Share**) for every three (3) Shares held at an issue price of \$0.075 (7.5 cents) per New Share (**Entitlement**). There is also the ability for Eligible Shareholders (apart from the Underwriters, defined below) to subscribe for New Shares in excess of their Entitlements.

The Rights Issue is being partially underwritten by Au Mining as well as Mr Jacob Deysel, Managing Director of the Company and Mr Guy Walker, Non-Executive Director (together, the **Underwriters**). Au Mining has agreed to underwrite to a maximum of \$6.6 million, and, Messrs Deysel and Walker have agreed to underwrite \$100,000 each.

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

On completion of the Rights Issue, the Company will be well-funded having raised a total of \$15,720,138 (before costs, including funds raised under the Placement) to complement existing cash reserves so as to continue with its stated objectives outlined below:

- (a) graphite anode pilot plant;
- (b) PFS and DFS graphite anode commercial plant module;
- (c) 3<sup>rd</sup> PCP at Tormin;
- (d) Tormin downstream production development;
- (e) mining method adjustment PFS and DFS at Tormin;
- (f) De punt resource and reserve drilling, adjacent to Tormin;

- (g) Tormin Inland Strand reserve expansion and extension;
- (h) expenses of the Rights Issue; and
- (i) general working capital.

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

The Company confirms that:

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

### **Potential Control Effect**

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

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

One of the Underwriters, Au Mining, is presently a substantial shareholder of the Company and is not a related party of the Company for the purpose of the Corporations Act. Mr Jacob Deysel and Mr Guy Walker are related parties of the Company for the purpose of the Corporations Act by virtue of being Directors of the Company, and have both also agreed to partially underwrite the Rights Issue.

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

<b>Underwriter</b>	<b>Current Voting power</b>	<b>Placement</b>	<b>Entitlement</b>	<b>Underwriting (Total, including Entitlements)</b>	<b>Maximum voting power</b>
Au Mining	31.14%	23,328,720	58,000,960	88,000,000	45.23%
Mr Jacob Deysel	Nil	Nil	Nil	1,333,333	0.18%
Mr Guy Walker	Nil	Nil	Nil	1,333,333	0.18%

**Notes:**

1. Assumes shares on issue as at the date of this announcement 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; and (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.

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

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

**Voting Power of Au Mining**

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

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

<b>Event</b>	<b>Number of Shares held by Au Mining</b>	<b>Voting power of Au Mining (%)</b>
As at the Record Date	174,002,880	31.14%
100% take up from Eligible Shareholders	232,003,840	31.14%
75% take up from Eligible Shareholders	263,128,702	35.31%
50% take up from Eligible Shareholders	294,253,564	39.49%
25% take up from Eligible Shareholders	320,003,840	43.27%
0% take up from Eligible Shareholders	320,003,840	45.23%

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

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

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

- (a) if all Eligible Shareholders take up their full Entitlement under the Rights Issue, then the Rights Issue will have no significant effect on the control of the Company;
- (b) Shareholders should note that if they do not participate in the Rights Offer, their holdings are likely to be diluted by approximately 25%;
- (c) the Company has in place a dispersion policy which is expected to materially reduce the number of shortfall shares, namely a shortfall facility for Eligible Shareholders to subscribe for shares beyond their Entitlement; and
- (d) The Board has actively taken steps to minimise the potential impacts to voting power of the Rights Issue by having an equitable dispersion strategy.

Yours sincerely,



Fletcher Hancock  
Company Secretary  
Mineral Commodities Limited

This release is authorised by the Board of Directors.