

Highlights

During the quarter:

- **MRC secured funding support for its Strategic Plan Growth Strategy¹ through a Placement and Rights Issue, which were strongly supported by shareholders²**
- **MRC announced the appointment of a new Chairperson, Mr. Brian Moller³**
- **Skaland achieved its FY2022 budgeted production and sales forecasts**
- **Inland Strand primary concentration circuit upgrade construction project nearly complete**
- **De Punt exploration drilling underway, targeting a JORC Code compliant maiden Mineral Resource**

Corporate and Cash

Cash: US\$1.0 million as at 31 December 2022, with a A\$10.0 million Rights Issue completed during the December 2022 quarter, with funds received early January 2023.

Debt: US\$7.3 million as at 31 December 2022.

Securities: 691.5 million shares and 19.0 million performance rights as at the date of this report.

Funding Support To Accelerate Strategic Plan Objectives

During the quarter, Mineral Commodities Ltd (**MRC** or **the Company**) achieved funding support of A\$11.7 million through a Placement and subsequent Rights Issue at an issue price of \$0.075 per share. This successful result highlights the strong support the Company has from its shareholders and is a clear endorsement of the Company's growth strategy as outlined in its Five Year Strategic Plan 2022-2026 (**Strategic Plan**)⁴.

Proceeds of the Placement and Rights Issue will be applied to near term cash flow generative and future growth strategies within the Company's Heavy Minerals Division as follows:

- 3rd Primary Concentration Plant (PCP i.e., PCP-3), increasing overall ore processing capacity to support an increase in final concentrates production. There are currently two PCPs at site, each having a targeted production rate of 1.5Mtpa of beach material or 1.2Mtpa of Inland Strand material after recent plant upgrades. Primary concentration, to produce intermediate Heavy Mineral Concentrate (**HMC**), presents the production bottleneck at Tormin whereas the secondary concentrator (GSP/SCP) to produce final concentrates has sufficient spare processing capacity for PCP-3 feed. Adding PCP-3, which will replicate

¹ Refer ASX announcement entitled '[MRC Secured Funding Support for Growth Strategy](#)', dated 3 October 2022.

² Refer ASX announcement entitled '[Rights Issue Strongly Supported by Shareholders](#)', dated 30 December 2022.

³ Refer ASX announcement entitled '[Appointment of Mr Brian Moller as Chairman of MRC](#)', dated 28 December 2022.

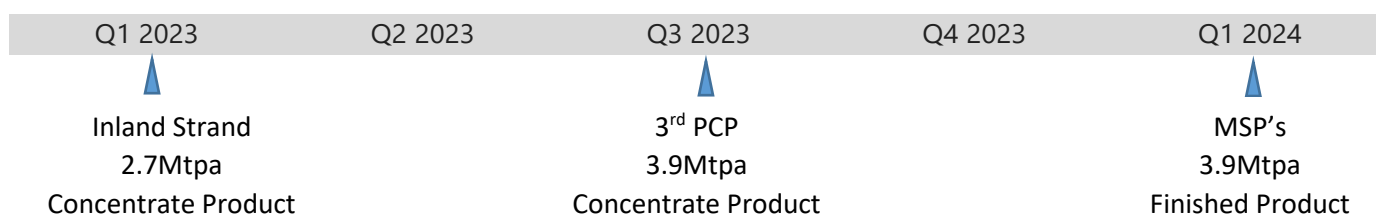
⁴ Refer ASX Announcement entitled '[MRC Unveils Five Year Strategic Plan 2022-2026](#)', dated 29 April 2022.

PCP-1 and PCP-2, will enable a significant increase in production capacity of 1.5Mtpa of beach material or 1.2Mtpa of Inland Strand material. PCP-3 is aimed to be in production by December quarter 2023;

- Downstream integration transitioning into higher value finished products, targeting enhanced profitability, utilising GMA Group negotiated funding⁵. The Rights Issue included funding towards Tormin downstream production development. MRC has negotiated a non-binding Offtake and Funding agreement where GMA Group agrees to provide MRC with US\$10 million in loan funding towards the design and construction of a circa 250-300ktpa Garnet and Ilmenite Mineral Separation Plant. The Mineral Separation Plant is aimed to be in production by March quarter 2024;
- Studies for a future bulk mining unit, targeting a significant increase in production aimed at ensuring all available minerals are mined. This study is aimed to be completed June quarter 2023; and
- Resource and reserve expansion targeted to support a larger production footprint. Drilling results at the recently granted exploration permit at De Punt⁶, based on the extension targets identified⁷, are expected in the June quarter 2023.

This funding supports the key catalysts targeting returning Tormin to historical profitability (during years 2015-2021 Tormin produced an average EBITDA of US\$16M):

- Inland Strand production, aimed for commissioning in March quarter 2023, substitutes some annual beach mining. PCP-1 will process Inland Strand material and PCP-2 will process beach mined material. The production schedule enables sustainable beach mining with beach mining rotating annually between Tormin Beaches and Northern Beaches production. It is expected that this will result in more sustainable beach mining grades, with each placer beach deposit being given replenishment time of 12 out of every 24 months, complemented by PCP-1 processing Inland Strand ore;
- PCP upgrades mean that each PCP can process 1.5Mtpa of beach material or 1.2Mtpa of Inland Strand, up from 1.2Mtpa of beach material or 0.8Mtpa of Inland Strand historically. In total, management is targeting processing 2.7Mtpa of ore with two PCPs, up from historical rates of circa 2.4Mtpa;
- The third PCP (PCP-3) is also aimed for Inland Strand material, targeting a further increase in ore processing from 2.7Mtpa to 3.9Mtpa. The third PCP is aimed to be in production by December quarter 2023; and
- It is anticipated that concentrate product produced will then be transitioned into higher value finished products, with the introduction of mineral separation plants. The Mineral Separation Plant is aimed to be in production by March quarter 2024.



⁵ Refer to ASX Announcement entitled '[MRC Transitioning Into Higher Value Finished Products at Tormin](#)' dated 14 September 2022.

⁶ Refer ASX announcement entitled '[MRC Granted De Punt Prospecting Right at South Tormin](#)', dated 28 July 2022.

⁷ Refer ASX announcement entitled '[Strandline Extension Targets Identified at De Punt](#)', dated 25 August 2022.

The Company remains committed to building the asset value of the Battery Minerals Division. A FID review of the Munglinup graphite development is expected in the June 2023 quarter. The Munglinup Graphite Project remains a crucial asset in the Company's overall ambition to supply natural graphite into the key high-demand battery anode markets, with the Definitive Feasibility Study (**DFS**) outlining a graphite asset able to produce approximately 52,000tpa over 14 years at an average grade of 12.8%⁸. The Munglinup deposit source material formed the majority of the Pre-Feasibility Study valuation for battery anode production from Skaland and Munglinup⁹. The NPV attributed to the Battery Materials division was US\$1.0 billion.

Management will look to procure further funding to complete the pilot-scale graphite anode pilot plant within the Critical Minerals Acceleration Initiative (**CMAI**) Project. This plant is aimed to finalise the commercial scale anode plant design and continue to establish customer support. In the meantime, the Company continues to advance its collaboration with Mitsubishi Chemical Corporation.

The Rights Issue was strongly supported by eligible shareholders, with an acceptance rate of over 70%. The Company's substantial holders' participation in the offer is set out in the table below.

Substantial Holder	Prior to the Rights Issue			Rights Issue	Post the Rights Issue	
	Shares ¹	Voting Power (%)	Entitlement	Shares Subscribed For	Shares	Voting Power (%) ²
AU Mining Limited	174,002,880	31.14	58,000,960	58,000,960	232,003,840	33.55
HSBC Custody Nominees (Australia) Limited	117,883,318	21.10	39,294,439	37,693,914	155,577,232	22.50
Citicorp Nominees Pty Limited	81,163,089	14.52	27,054,363	26,699,677	107,862,766	15.60
Simto Resources Pty Ltd	55,401,497	9.91	18,467,166	-	55,401,497	8.01

Notes:

1. The table above 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.
2. Reflects inclusion of shortfall share applications received at closing date and underwritten shares.

⁸ Refer ASX announcement entitled '[Robust Munglinup DFS Results Allow MRC to Move to 90% Ownership of Munglinup Graphite Project](#)', dated 8 January 2020.

⁹ Refer ASX announcement entitled '[MRC Complete PFS For Active Anode Materials Plant in Norway](#)', dated 21 September 2020.

Tormin Projects – Inland Strand PCC Upgrades Near Completion

The primary concentration circuit (PCC) has been upgraded to handle Inland Strands material, which presents different characteristics to beach material. These upgrades were significantly accelerated during the quarter and are expected to be completed in the March 2023 quarter. As at the date of this report, the PCC upgrade is nearly complete:

Asset	Requirement	Construction Update
Crusher	Crushes Inland Strand ore to less than 800mm sizing	Complete
Scrubber	Washing out various components in ores and for disintegrating the compacted ores	Complete - containment bund in place, ready for connection to desliming cyclones
Desliming cyclones	Removing slimes material, sent to tailings discharge facility	Complete
PCP-1 and PCP-2 upgrades	Coarse tailings and valuable heavy minerals from desliming cyclones present to trommel screen and spiral banks that help separate heavy minerals from 'others/coarse tailings'	Complete - Upgrade of additional spiral bank added to each PCP finished
Dewatering circuit	Removing water from tails, for reinjection into the circuit	Complete
Thickener plant	Separate the solid & liquid part from the slurry and to concentrate as much as possible the solid part (slimes) in the bottom of the thickener in order to get from the top of the thickener, clear water as much as possible free from the solids	Complete - containment bund in place
Flocculant plant	Used to agglomerate particles in solution to aid in settling and separation in the Thickener Plant	Complete
Filter presses	Dewater the mineral by-products to the required water content	Filter press pad is currently being completed, with filter press modules due for delivery to site February 2023

Management expects Inland Strand production to commence in the March 2023 quarter. This will mean one PCP will stop processing currently relatively low-grade beach material to process high-grade South pit material.

This is a very important step in targeting returning Tormin to historical profitability discussed above.

SAFETY, ENVIRONMENT AND COMMUNITY

The Company's 12-month Total Recordable Injury Frequency Rate (**TRIFR**) remained at nil in the December 2022 quarter.

Tormin

Tormin had no recordable injuries during the December 2022 quarter.

Skaland

Skaland had no recordable injuries during the December 2022 quarter.

TORMIN OPERATIONS

Ore mining remained strong at circa 3.95 million tonnes (annualised) during the quarter, reflecting Inland Strand ore mining in advance of processing in March quarter 2023. The Company's ore processing rate in PCPs reduced during the quarter to 2.2Mtpa (2.6Mtpa previous quarter) due to Inland Strand plant tie-ins and seawater intake issues, producing 28,732 tonnes of final concentrates.

Plant production rates are expected to return to historical production rates in the March quarter 2023.

Waste and ore mining at the Inland Strands recommenced towards the end of the last quarter in preparation for Inlands Strands production in the March quarter 2023.

Mining

Mining	31-Dec-22 Quarter	30-Sep-22 Quarter	31-Dec-21 Quarter	Year to Date 31-Dec-22	Year to Date 31-Dec-21
Material Mined – Tonnes (dmt)	1,094,002	852,498	783,709	3,404,354	4,321,709
Ore Mined – Tonnes (dmt)	986,561	785,996	783,709	3,225,319	3,077,087
Waste Mined – Tonnes (dmt)	107,441	66,502	-	179,035	1,244,622
Grade (VHM)	12.3%	10.5%	9.9%	11.2%	13.1%
- Garnet	5.9%	8.2%	7.7%	8.0%	8.5%
- Ilmenite	5.1%	1.5%	1.4%	2.3%	3.4%
- Zircon	0.9%	0.5%	0.3%	0.6%	0.8%
- Rutile	0.4%	0.3%	0.3%	0.3%	0.4%

Tormin saw a 28% increase in material mined this quarter to 1.09 million tonnes, with a Valuable Heavy Mineral ("**VHM**") grade of 12.3% in comparison to the previous quarter of 10.5%. The increased VHM grade reflects Inland Strand mining from the high-grade South Pit.

Run of Mine (**ROM**) volumes remained strong in the December 2022 quarter at circa 3.95Mtpa. This includes increasing Inland Strands ore inventory by 402Kt. Ore production during the December 2022 quarter from the Northern Beaches, Tormin Beaches and Inland Strands is shown below:

Mining	31-Dec -22 Quarter		
	Northern Beaches	Tormin Beaches	Inland Strands
Ore Mined – Tonnes (dmt)	268,546	315,922	402,093
Grade (VHM)	6.2%	7.3%	21.3%
- Garnet	5.3%	6.3%	6.9%
- Ilmenite	0.5%	0.5%	12.0%
- Zircon	0.2%	0.3%	1.7%
- Rutile	0.2%	0.2%	0.7%

The decrease in beach mining grades from the Northern and Tormin Beaches in comparison to the prior quarter is not unexpected, given summer months provide calmer wave activity and therefore reduced replenishment rates for these placer beach deposits.

Processing

ROM feed tonnes to PCP-1 and PCP-2 were lower than the previous quarter at 546Kt, representing an average feed rate of 296tph and 88% plant utilisation. Throughput was lower than the previous quarter, combined with lower beach mined feed grades (as higher-grade Inland Strand ore was stockpiled for completion of Inland Strand processing upgrades) that saw final concentrate production for the period decreased to 28,732 tonnes, compared to the September quarter of 71,127 tonnes.

Total tonnes processed by the secondary concentrator (GSP/SCP) were 66kt, compared to 151kt from the previous quarter, due to lower HMC produced from lower beach ore grades and lower availability due to Inland Strand plant tie-ins and seawater intake issues.

GSP/SCP Production & Processing	31-Dec-22 Quarter	30-Sep-22 Quarter	31-Dec-21 Quarter	Year to Date 31-Dec-22	Year to Date 31-Dec-21
Tonnes processed (gross dmt)	65,688	151,392	156,519	510,540	599,326
Tonnes produced (dmt)					
- Garnet concentrate	22,871	59,311	48,830	178,766	144,874
- Ilmenite concentrate	4,763	9,736	15,626	35,256	89,013
- Zircon/Rutile concentrate	918	2,080	3,173	7,309	13,677
- Zircon in concentrate	71.7%	73.9%	74.5%	73.8%	72.1%
- Rutile in concentrate	17.1%	17.6%	18.0%	17.5%	19.1%

Sales

Sales (wmt)	31-Dec-22 Quarter	30-Sep-22 Quarter	31-Dec-21 Quarter	Year to Date 31-Dec-22	Year to Date 31-Dec-21
- Garnet concentrate	6,361	15,318	32,604	144,519	118,339
- Ilmenite concentrate	1,568	39,228	38,091	46,678	92,191
- Zircon/Rutile concentrate	1,260	2,380	2,912	9,929	14,968

Tormin shipments/sales were 6,361 wet metric tonnes of garnet, 1,260 wet metric tonnes of zircon/rutile concentrate and 1,568 wet metric tonnes of ilmenite. Garnet sales reflect third party sales, given completion during the first half of 2022 of the GMA Garnet Group's minimum 2022 garnet offtake under the agreement. Non-mags sales reflect quarterly production.

Product sales revenue was US\$4.0 million, representing a total of 10,504 wet metric tonnes sold, compared to prior period revenue of US\$10.9 million for 56,926 wet metric tonnes sold. The decrease reflects the accelerated offtake under the garnet offtake agreement during the June 2022 quarter, the 38,500 wet metric tonnes ilmenite shipment that sailed in the prior quarter and lower production due to Inland Strand tie-ins and seawater intake issues.

Unit Costs & Revenues

Summary of Unit Costs & Revenues	31-Dec-22 Quarter	30-Sep-22 Quarter	31-Dec-21 Quarter	Year to Date 31-Dec-22	Year to Date 31-Dec-21
Unit production cash costs per tonne of net final concentrate produced (US\$/dmt)	216.05	94.34	94.90	123.12	101.73
Unit cost of goods sold per tonne of final concentrate sold (US\$/wmt) ⁽¹⁾	403.48	160.09	154.91	163.16	151.40
Unit revenue per tonne of final concentrate sold (US\$/wmt)	237.67	191.91	183.92	177.53	180.61
Revenue to Cost of Goods Sold Ratio	0.59	1.20	1.19	1.09	1.19

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

The December 2022 quarter's higher unit production cash costs and unit cost of goods sold reflect significantly lower production this quarter due to lower HMC produced from lower beach grades and lower availability due to Inland Strand plant tie-ins and seawater intake issues.

Unit revenue per tonne of final concentrate sold for the December 2022 quarter of US\$237.67/t is above US\$191.91/t for the previous quarter due to the higher proportion of non-mags sales during this quarter.

Plant production rates are expected to return to historical production rates in the March quarter 2023.

Unit costs are expected to return to historical costs in the March quarter 2023 with plant tie-ins largely completed in the December 2022 quarter and seawater intake issues being resolved.

Tormin Exploration

Mineral Sands Resources (**MSR**) began a 6,000 metre air core drilling resource definition program at the De Punt area, targeting the areas along strike of the identified inland strands in airborne geophysical anomalies. The plan will target delineating a JORC Code compliant maiden Mineral Resource.

De Punt aligns with our Strategic Plan targeting larger scale and diversified operations by increasing mineral resources beyond the existing Western and Eastern strandlines, with the aim of significantly increasing production.

SKALAND OPERATIONS

The December 2022 quarter reflects the fifth successive quarter that Skaland production has been in line with an annualised production rate of 10ktpa, which is the historical performance baseline for Skaland. Cost and revenue optimisation is ongoing, with further cost reductions implemented during the current quarter.

During the December 2022 quarter, the Company continued strong concentrate production rates reflecting improved performance at Skaland in 2022 in comparison to 2021. The down-dip mine development works completed in 2021 improved ore supply from the mine which, complemented by strong plant availability, resulted in year to date processed tonnes and final concentrate produced that have met annual budget expectations.

The Company maintained robust concentrate sales during the quarter, selling 1,835 tonnes of graphite concentrate during the period compared to 2,530 tonnes in the prior quarter.

Mining

Mining	31-Dec-22 Quarter	30-Sep-22 Quarter	31-Dec-21 Quarter	Year to Date 31-Dec-22	Year to Date 31-Dec-21
Material Mined	14,037	9,134	39,095	43,891	148,346
Ore Mined	11,969	8,392	10,932	39,434	30,009
Waste Mined	2,068	742	28,163	4,457	118,337
Ore Grade (%C)	27	24	27	28	25
Development Metres	127	104	356	462	1,357

Total ore mined for the quarter was 42% higher than the previous quarter due to the annual four week shutdown for Norwegian summer holidays in the previous quarter. Importantly, this quarter completes a return to historical performance to meet the production needs of 10kt per annum of concentrate production from the high-grade Trælen ore body, with reduced development requirements.

Mining and ore delivery from underground stopes this quarter has continued to stabilise ore quality to the process plant.

Processing

ROM feed to the processing plant for the December 2022 quarter was 10,577 tonnes compared with 8,255 tonnes in the prior quarter. This reflects an increase in ore inventory during the quarter and ore supply being reliably maintained since the mine development completed in the December 2021 quarter.

Quarterly graphite concentrate production decreased to 2,884 tonnes, 29% above last quarter production of 2,228 tonnes.

Annual results reflect improved Skaland plant availability and performance in 2022, with a record since acquisition of 10,380 tonnes produced, at the highest average annual concentrate grade (93%) at 92% recovery. This compares with historic concentrate grades of 90%-91% at 90%-91% recoveries. The processing improvements in 2022 have the flexibility to produce higher grades subject to customer demand. This also provides the foundation for the Company's ore-to-anode strategy.

Processing	31-Dec-22 Quarter	30-Sep-22 Quarter	31-Dec-21 Quarter	Year to Date 31-Dec-22	Year to Date 31-Dec-21
Ore Processed (t)	10,577	8,255	9,451	33,903	23,021
Throughput (tph)	8	7	6	6	6
Ore Grade (%C)	27	24	27	28	25
C Recovery (%)	93	94	93	92	91
Concentrate Grade (%)	93	93	93	93	91
Concentrate Produced (t)	2,884	2,228	2,763	10,380	6,293

Sales

The Company sold 1,835 tonnes of graphite concentrate during the December 2022 quarter compared to 2,530 tonnes in the September 2022 quarter. This reflects an increase in inventory during the quarter.

Product (wmt)	31-Dec-22 Quarter		30-Sep-22 Quarter		31-Dec-21 Quarter		Year to Date 31-Dec-22		Year to Date 31-Dec-21	
	Sales	PSD %	Sales	PSD %	Sales	PSD %	Sales	PSD %	Sales	PSD %
Coarse/Medium	960	33%	832	33%	794	33%	3,547	34%	2,062	35%
Fine-Medium/Powder	1,918	67%	1,698	67%	1,562	67%	6,938	66%	4,584	65%
Total	2,877		2,530		2,356		10,485		6,646	

Sales revenue for the December 2022 quarter decreased to US\$2.2 million for a total of 2,877 tonnes sold due to a 14% increase in product sold. Increased product sold increased production output. Product pricing continued to reflect higher pricing achieved for 2022 in comparison to 2021.

Unit Costs & Revenues

Summary of Unit Costs & Revenues	31-Dec-22 Quarter	30-Sep-22 Quarter	30-Jun-22 Quarter	Year To Date 31-Dec-22
Unit production cash costs per tonne of net final concentrate produced (US\$/dmt)	549.72	564.10	648.25	585.94
Unit cost of goods sold per tonne of final concentrate sold (US\$/wmt) ⁽¹⁾	564.54	752.09	754.06	725.91
Unit revenue per tonne of final concentrate sold (US\$/wmt)	779.39	737.49	733.05	750.37
Revenue to Cost of Goods Sold Ratio	1.38	0.98	0.97	1.03

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

Key metrics for the December 2022 quarter included:

- Unit production cash costs 3% lower than the previous quarter, reflecting lower labour costs during this quarter due to recruitment delays.
- The total unit cost of goods sold of US\$564.54/t compared with US\$752.09/t in the previous quarter, reflecting the decline in unit production cash costs.
- Unit revenue per tonne higher at US\$779.39, reflecting improved flake, medium and powder pricing.
- Revenue to Cost of Goods Sold Ratio of 1.38, improved from the previous quarter's ratio of 0.98.

Overall, the 2022 Skaland performance reflects significant effort by the Company to return the operation to cash generation and profitability.

DEVELOPMENT

Munglinup Graphite Project

Final environmental permits are expected in March quarter 2023. MRC continues to work closely with the Esperance Tjaltjraak Native Title Aboriginal Corporation (**ETNTAC**) to finalise a Heritage and Community Engagement Agreement for the Munglinup Graphite Project by March 2023. The execution of the Agreement will provide a range of benefits, opportunities and collaboration for the local community in accordance with the Company's ESG focus.

CORPORATE

Mr Brian Moller was announced as an Independent Non-Executive Chairman of the Company on 28 December 2022. Mr Moller acts for many publicly listed companies in both Australia and elsewhere and regularly advises boards of directors on corporate governance and related issues. Mr Moller is also a solicitor of the Supreme Court of Queensland and Solicitor and Barrister of the Supreme Court of Western Australia. He specialises in capital markets, mergers and acquisitions, and corporate restructuring, and has acted in numerous transactions and capital raisings in the industrial, resources and energy sectors. He is a partner at the legal firm, HopgoodGanim, where he has worked for over 30 years and leads the firm's Corporate Advisory and Governance practice.

Managing Director & CEO Jacob Deysel¹⁰ resigned for personal reasons after the end of the quarter. Jacob will remain available in an advisory capacity to continue to support the Company to execute on its vision. MRC's Chief Financial Officer (CFO) Adam Bick has assumed the role of Interim CEO. Following Mr Bick's promotion to the role of Interim CEO, his remuneration has been increased to an amount of \$500,000 per annum (inclusive of superannuation). Fletcher Hancock resigned as Legal Counsel and Company Secretary at the end of December 2022, and was replaced as Company Secretary by Katherine Garvey, an experienced corporate lawyer with a specialty in energy & resources.

Cash and Debt

As at 31 December 2022, the Company had US\$1.0 million in cash on hand compared to US\$1.9 million as at 30 September 2022. It should be noted that a further A\$10.0 million Rights Issue was completed during the December 2022 quarter, with funds received early January 2023. This will materially strengthen the balance sheet and provide funding for various cash flow generative projects at Tormin.

The net working capital position as at 31 December 2022 is US\$4.9 million, inclusive of diesel fuel receivables in South Africa, compared to US\$3.0 million at 30 September 2022. Management is buoyed by the near completion of the PCC upgrades that are expected to generate positive cash flows from mining operations at Tormin's Inland Strands from the March 2023 quarter and management's ability to raise additional funding as required. Management will continue to actively monitor cash flows and remain adaptable to changing fiscal priorities, considering continued fluid operating conditions.

Trade and other receivables as at 31 December 2022 increased to US\$13.0 million from US\$12.2 million in the previous quarter. Borrowings as at 31 December 2022 were US\$7.3 million compared to US\$9.3 million in the previous quarter.

¹⁰ Refer ASX announcement entitled '[Resignation of Jacob Deysel as CEO of MRC](#)', dated 6 January 2023.

Outlook

Tormin's zircon/rutile concentrate continues to attract strong pricing with high levels of demand expected to continue. Non-mags production for 2023 is fully contracted at these high prices. Ilmenite pricing remains strong and is expected to improve in 2023 because of limited supply and high shipping costs.

Updated annual concentrates production for Tormin and Skaland in 2022 is provided below. FY2022 actuals for Tormin were below production guidance due to unforeseen production delays during the December 2022 quarter for Inland Strand plant tie-ins and seawater intake issues. Skaland in FY2022 delivered above historical average of 10,000 tonnes per annum of production.

Final Concentrate Production - Tormin	Sep 2022 FY2022 Production Guidance Range	FY2022 Actuals
Garnet Concentrate (dmt)	180,000 – 210,000	178,766
Ilmenite Concentrate (dmt)	40,000 -70,000	35,256
Zircon/Rutile Concentrate (dmt)	8,000 – 12,000	7,309

Final Concentrate Production – Skaland	Sep 2022 FY2022 Production Guidance Range	FY2022 Actuals
Coarse / Medium Product (dmt)	3,200 – 4,000	3,547
Fine-Medium / Powder Product (dmt)	6,000 - 7,600	6,936

Final Concentrate Sales - Tormin	Sep 2022 FY2022 Sales Guidance Range	FY2022 Actuals
Garnet Concentrate (dmt)	160,000 – 190,000	144,519
Ilmenite Concentrate (dmt)	45,000 -80,000	46,678
Zircon/Rutile Concentrate (dmt)	10,000 – 15,000	9,929

Final Concentrate Sales - Skaland	Sep 2022 FY2022 Sales Guidance Range	FY2022 Actuals
Coarse / Medium Product (dmt)	3,200 – 4,000	3,547
Fine-Medium / Powder Product (dmt)	6,000 - 7,600	6,938

Skaland has returned to historical performance of circa 10Kt of product per annum.

Securities on Issue

Issued securities at the date of this report comprise:

- 691,455,941 fully paid ordinary shares listed on the ASX.
- 4,466,665 Performance Rights vesting on 23 February 2023 and upon the 30-day VWAP of the Company's shares trading on the ASX being at or above A\$0.19, expiring on 23 February 2026.
- 4,466,665 Performance Rights vesting on 23 February 2024 and upon the 30-day VWAP of the Company's shares trading on the ASX being at or above A\$0.19, expiring on 23 February 2026.
- 4,466,665 Performance Rights vesting on 23 February 2025 and upon the 30-day VWAP of the Company's shares trading on the ASX being at or above A\$0.19, expiring on 23 February 2026.
- 5,600,000 Performance Rights vesting upon the 30-day VWAP of the Company's shares trading on the ASX being at or above A\$0.19, expiring on 23 February 2026.

– ENDS –

Issued by: Mineral Commodities Ltd ACN 008 478 653

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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

Tormin - The information in this report which relates to Mineral Resources for Tormin, including Tormin Beaches, Northern Beaches, and Inland Strands, is based on information compiled by Mr Bahman Rashidi, who is a member of the Australian Institute of Mining and Metallurgy ("AusIMM") and the Australian Institute of Geoscientists ("AIG"). 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 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code (2012)"). The information from Mr Bahman Rashidi was prepared under the JORC Code (2012). Mr Rashidi has consented to inclusion in the report of the matters based on this information in the form and context in which it appears.

Munglinup - The information, if any, in this report which relates to Mineral Resources for Munglinup is based on information compiled by Mr Chris De Vitry who is a member of AusIMM and an independent consultant to the Company. Mr De Vitry is the Director and Principal Geologist of Manna Hill GeoConsulting Pty Ltd. Mr De Vitry has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined by the JORC Code (2012). Mr De Vitry consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information, if any, in this report which relates to the Ore Reserve for Munglinup is based on information compiled by Mr Daniel Hastings, who is a Member of AusIMM. Mr Hastings is an employee of Quantified Strategies Pty Ltd and a consultant to the Company. Mr Hastings has sufficient experience relevant to the type of deposit under consideration to qualify as a Competent Person as defined by the JORC Code (2012). Mr Hastings consents to the inclusion in the report of the matters based on the reviewed information in the form and context in which it appears.