

COMMERCIAL PRODUCTION FROM INLAND STRANDS ORE

- **Production of zircon, rutile, ilmenite and garnet concentrate product from Inland Strand ore has commenced**

Mineral Commodities Limited (**ASX:MRC** or **the Company**) and its empowerment partner, Blue Bantry Investments 255 (Pty) Ltd, are very pleased to announce a further update on the Company's 50% owned subsidiary, Mineral Sands Resources (Pty) Ltd (**MSR**) processing of Inland Strands ore¹. MSR has produced sufficient heavy mineral concentrate stocks to transition to commercial production of garnet, ilmenite and non-magnetic (zircon and rutile) saleable concentrate products through the Secondary Concentrator Plant (**SCP**). This represents a very quick transition from commencement of Inland Strands ore processing on 6 March 2023.

The SCP is performing well on Inland Strands ore, with initial plant throughput of 75tph, close to the average feed rate of 96tph achieved in 2022, and at historical plant recoveries. Optimisation is underway to increase concentrate production from the higher-grade Inland Strands ore.

Inland Strands commercial production is an important step in returning Tormin to historical profitability² (during years 2015 - 2021 Tormin produced an average EBITDA of US\$16M) and improving cash flow generation. Once the Inland Strands ore plant upgrade is fully commissioned, operating at target throughput rates and historical recoveries through the Primary Concentration Plant (**PCP**), and achieving commercial production at target throughput rates and historical recoveries through the SCP, the Company will turn its attention to the design and construction of the Third PCP (**PCP-3**). PCP-3 is aimed at increasing production capacity from 2.7Mtpa to 3.9Mtpa by December quarter 2023. Funding for PCP-3 has been secured through the recent Rights Issue³.

Inland Strand production substitutes some annual beach mining. PCP-1 is targeted to process Inland Strand material at 1.2Mtpa and PCP-2 is targeted to process beach mined material at 1.5Mtpa (total 2.7Mtpa). 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.

¹ Refer ASX Announcement entitled "[Inland Strands Ore Processing Commences at Tormin](#)" dated 6 March 2023.

² Refer to "[December 2022 Quarterly Activities Report](#)" dated 31 January 2023.

³ Refer ASX Announcement entitled "[Rights Issue Strongly Supported by Shareholders](#)" dated 30 December 2022.

MRC's Interim Chief Executive Officer, Mr Adam Bick said, "We are very pleased with the rapid transition to saleable concentrate production from Inland Strands ore – it is a great reflection on the efforts of the MSR team. This will increase Tormin production levels and sales revenues in line with MRC's Heavy Minerals Division's Objectives⁴ of returning Tormin to historical profitability and cash flow generation.

Further updates will be provided as Inland Strands processing advances."

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About Mineral Commodities Ltd:

Mineral Commodities Ltd is a global mining and development company with a primary focus on the production of high-grade Mineral Sands and Natural Flake Graphite from operations in South Africa and Norway.

The Company is a leading producer of zircon, rutile, garnet, magnetite, and ilmenite concentrates through its Tormin Mineral Sands Operation, located on the Western Cape of South Africa.

The Company owns and operates the Skaland Graphite Operation in Norway, the world's highest-grade operating flake graphite mine and is the only producer in Europe.

The planned development of the Munglinup Graphite Project, located in Western Australia, builds on the Skaland acquisition and is a further step toward an integrated, downstream value-adding strategy which aims to capitalise on the fast-growing demand for sustainably manufactured lithium-ion batteries.

In April 2022, the Company released its Five-Year Strategic Plan 2022-2026⁵ to delineate and implement its aspiration to become a leading vertically integrated diversified producer of graphitic anode materials and value added mineral products with a commitment to operate with a focus on the Environment, Sustainability and Governance.

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

⁵ Refer ASX Announcement entitled "[MRC Unveils Five Year Strategic Plan 2022-2026](#)", dated 29 April 2022.

Cautionary Statement

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

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

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