

Water Storage Dam - Tormin Mineral Sands

Mineral Commodities Ltd (“MRC” or “the Company”) (ASX:MRC) wishes to provide the following update regarding damage to a water storage dam at the Tormin Mine in South Africa held by the Company’s 50% owned subsidiary, Mineral Sands Resources (Pty) Ltd (“MSR”) and progress towards repairing the damage and restoring operations to normal levels of production.

Background

On 22nd March 2024, the Company reported that there had been damage to the liner of the main sea-water storage dam that provides water for processing. The damaged liner has allowed water ingress underneath the liner causing some minor erosion and the tensioning of the liner, resulting in minor cracking adjacent to the liner edge.

The prompt response to the incident prevented further and major damage, but had an impact on production due to limited water supply.

Immediate Actions

The following actions were taken to mitigate risks:

- Levels in the process water dam were immediately lowered;
- Slits were cut into the dam liner to pump out water which had accumulated underneath;
- Liner specialists carried out a visual inspection;
- Dam was entirely emptied to ensure the complete drainage of all accumulated water;
- Continuous monitoring was conducted until no visual water presence was observed; and
- Liner slits/cuts were repaired by the liner specialists which allowed for the temporary raising of the dam water elevation at/below natural ground water levels.

Actions to allow limited production

- Dam water elevation was raised to a level to allow for limited operations to resume; and
- Concentrate production resumed on Friday, 29th March 2024 with PBC1 operations resuming on Sunday, 31st March 2024.

Production Impact

Since the reporting of the incident, the production plants have been affected as follows:

- PBC 1 lost 3 days of production;
- PBC 2 lost 21 days of production; and
- GSP/SCP lost 8 days of production time.

As noted above some of plants (PBC1) were still able to run, with the limited sea water intake supply capacity. This allowed for the building of feed stock for the GSP/SCP.

Revenue impact

Throughout this period, deliveries of zircon and rutile have continued to provide revenue.

Timing to return to normal production levels

The liner specialists plan to be on site early week commencing 08th April 2024 to repair the remaining main cut on the liner and allow for refilling of the dam to full capacity.

The repair of the main damaged part of the dam liner, as well as other ancillary work recommended by the specialists to prevent future recurrence of the incidents, along with repair of some recent storm damage to a water intake pipeline, is anticipated to be completed by 15th April 2024 or soon thereafter. This work once completed will allow for the return to full production levels.

The Company's Chief Executive Officer, Mr Scott Lowe commented:

"The first quarter of 2024 has been very challenging and disappointing with production impacted initially by mobile equipment failure and subsequently by the dam damage. However, the Tormin team has taken positive steps to address these issues and will make every effort to achieve sustained improved performance in Q2 and for the remainder of 2024"

ENDS

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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 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 also 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.

The Company's aspiration is 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.