



## TORMIN SECURES MSP FUNDING AND FINISHED GARNET OFFTAKE

Mineral Commodities Limited (**ASX: MRC** or **the Company**) and its empowerment partner, Blue Bantry Investments 255 (Pty) Ltd ("**Blue Bantry**"), are pleased to advise that they have entered into formal agreements ("**GMA Agreements**") for Offtake and Funding with Garnet International Resources Pty Ltd, a member of the GMA Group ("**GMA Group**") whereby:

- (a) Mineral Sands Resources (Pty) Ltd ("**MSR**") agrees to supply GMA Group with finished garnet product in the following volumes:
  - (i) 2024-2025 – 80ktpa;
  - (ii) 2026-2028 – 105ktpa; and
  - (iii) 2029-2033, subject to renewal at GMA's election – 125ktpa; and
- (b) GMA Group agrees to provide MSR with US\$10,000,000 in loan funding, repayable over 5 years from 1 January 2024, on commercial terms to fund the design and construction of a Mineral Separation Plant ("**MSP**") in the Western Cape Region of South Africa. The size and scope of the MSP in terms of capacity and product type (garnet, ilmenite, zircon or rutile) is at MSR's discretion, with a minimum garnet concentrate feed of 200ktpa the only specified requirement under the GMA Agreements. MSR intends for all garnet and ilmenite concentrate feedstock to be processed through the MSP.

MSR owns 100% of the Tormin Mineral Sands Operation in the Western Cape, South Africa. MRC recently entered into agreements to increase its interest in MSR and the Tormin mine from 50% to 69%<sup>1</sup>, subject to the satisfaction of certain conditions precedent.

GMA Group is the global leader in industrial garnet, providing the highest quality garnet abrasive to the waterjet cutting and protective coating industries<sup>2</sup>. It has been MRC's long-term partner in garnet concentrates sales.

Offtake Agreement pricing is agreed, subject to existing rise and fall mechanisms and is commercial in confidence. GMA also has first right of refusal on any finished garnet product produced in excess of the minimum offtake above.

GMA Group's loan is to be secured against MSP and a guarantee provided by MRC.

These agreements align with MRC's Strategic Plan<sup>3</sup> to transition into higher value finished products, with the Company aiming to complete construction of the MSP by the December

<sup>1</sup> Refer ASX Announcement entitled '[MRC to Increase Ownership Interest in Tormin](#)' dated 12 April 2023.

<sup>2</sup> Refer <https://www.gmagarnet.com/en-au/>.

<sup>3</sup> Refer ASX Announcement entitled '[MRC Unveils Five Year Strategic Plan 2022-2026](#)' dated 29 April 2022.

2023 quarter. The Strategic Plan aims to maximise the value of MSR's mineral sands operations by maximising final product value through transitioning from mixed concentrates to finished garnet and ilmenite mineral products.

The GMA Agreements support the third of the three key catalysts targeting returning Tormin to historical profitability<sup>4</sup> (during years 2015-2021 Tormin produced an average EBITDA of US\$16M) and improving cash flow generation, being:

1. Inland Strands production (targeting processing 2.7Mtpa of ore, up from historical rates of circa 2.4Mtpa, and enables more sustainable beach mining grades), which has been completed and commissioned in the March 2023 quarter;
2. Third Primary Concentration Plant (targeting a further increase in ore processing from 2.7Mtpa to 3.9Mtpa), aimed for completion December quarter 2023; and
3. MSP (anticipated that concentrate product produced from ore processing at 3.9Mtpa will then be transitioned into higher value finished products), aimed for production in March quarter 2024.

The Company's Interim Chief Executive Officer, Mr Adam Bick, commented: *"We are very pleased to finalise the GMA Agreements, crystallising our long-term partnership with GMA Group and Tormin's transition from concentrate to higher margin finished product sales. This Offtake Agreement forms the foundation of expanding our revenue base, profitability and cash flows at Tormin. To provide context, the Tormin operation produced 179kt of garnet concentrate in 2022, highlighting that this minimum offtake agreement will cover a significant portion of the available finished garnet produced from current operations. The GMA funding agreement also allows construction of an ilmenite MSP, with ilmenite finished product to be sold into the lucrative, well established finished ilmenite market. We welcome the opportunity to renew and formally extend our long-standing relationship with GMA and explore new opportunities to expand our mutually beneficial commercial interests."*

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<sup>4</sup> Refer to '[March 2023 Quarterly Activities Report](#)' dated 28 April 2023.



**MRC Interim CEO Adam Bick (left) and GMA Group CEO Grant Cox (right)**

**ENDS**

**Issued by Mineral Commodities Ltd ACN 008 478 653 [www.mineralcommodities.com](http://www.mineralcommodities.com).  
Authorised by the Interim CEO and Company Secretary, Mineral Commodities Ltd.**

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**About Mineral Commodities Ltd:**

Mineral Commodities Ltd (ASX: MRC) is a global mining and development company with a primary focus on the development of high-grade mineral deposits within the industrial and critical minerals sectors.

The Company is a leading producer of zircon, rutile, garnet, 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 ultimately aims to produce graphitic anode products and capitalise on the fast-growing demand for sustainably manufactured Lithium-Ion Batteries.

In April 2022, the Company released its Five-Year Strategic Plan 2022-2026<sup>5</sup> 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.

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<sup>5</sup> 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.

## Competent Persons Statement

The scientific and technical information in this Announcement related to the geology of the deposits and exploration results that previously announced is based on information compiled and approved for release by Mr Daniel Hastings, who is a member of the Australian Institute of Mining and Metallurgy ("**AusIMM**"). 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 Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves ("**the JORC Code (2012)**"). The information from Mr Hastings was prepared under the JORC Code (2012). Mr Hastings consents to the inclusion in this ASX release in the form and context in which it appears.