

ADDITIONAL INFORMATION - MSP FUNDING AND GARNET OFFTAKE AGREEMENTS

On 22 May 2023 Mineral Commodities Ltd (**ASX: MRC** or **the Company**) announced that it and its empowerment partner, Blue Bantry Investments 255 (Pty) Ltd ("**Blue Bantry**") had entered into formal agreements ("**GMA Agreements**") through their jointly owned subsidiary Mineral Sands Resources (Proprietary) Limited ("**MSR**") for Offtake and Funding with Garnet International Resources Pty Ltd, a member of the GMA Group ("**GMA Group**")¹. The purpose of this announcement is to provide additional information in respect of the GMA Agreements.

- The Offtake Agreement's termination provisions are summarised as follows:
 - (a) either party can terminate the Offtake Agreement if the other party commits any material breach of any material provision of the Offtake Agreement and the breach is not remedied or not capable of being remedied by the other party within 28 days of receipt of a notice of default. This would include if MSR is not able to deliver the agreed quantities of finished garnet to the GMA Group. However it should be noted that agreed annual quantities in the Offtake Agreement represent circa 45%-70% of expected production using 3.9 million tonnes per annum of mined ore feed;
 - (b) either party may terminate the Offtake Agreement if the other party suffers an insolvency event which is not able to be remedied within 60 days; and
 - (c) either party may terminate where the performance of any obligation by a party under the Offtake Agreement is prevented or suspended by one or more Force Majeure Event for a period of 6 consecutive months.
- The Offtake Agreement pricing is subject to the existing rise and fall mechanisms that occurred in the previous GMA Group garnet concentrate offtake agreement (which expires on 31 December 2023), resulting in incremental garnet concentrate price increases each year since inception. Adjustments in the new Offtake Agreement will occur from 1 January 2025, which again include pricing adjusted for movements in South African wages, diesel costs and Consumer Price Index (**CPI**) and movements in United States CPI. As movements in these indices up or down reflect expected movements in MSR's operating costs, the rise and fall mechanisms would result in an equivalent movement in the finished garnet price.
- In respect of the Funding Agreement, GMA Group's loan is to be secured by an initial General Notarial Bond during construction (which shall be discharged on and from the date the Special Notarial Bond is lodged and registered) followed by a Special Notarial Bond over the funded Mineral Separation Plant, securing a maximum principal sum of US\$10,000,000 and an additional sum of US\$1,000,000. GMA Group's loan is also secured by a guarantee that involves MRC acting as Guarantor under the Funding Agreement.

¹ Refer ASX Announcement entitled '[Tormin Secures MSP Funding and Finished Garnet Offtake](#)' dated 22 May 2023.

- Interest accrues daily and is payable under the Funding Agreement at 9.5% per annum from 1 January 2024. The term of the loan is five years from 1 January 2024.

ENDS

Issued by Mineral Commodities Ltd ACN 008 478 653 www.mineralcommodities.com.
Authorised by the Interim CEO and Company Secretary, Mineral Commodities Ltd.

For further information, please contact:

INVESTORS & MEDIA

Adam Bick

Interim CEO

T: +61 8 6373 8900

investor@mncom.com.au

CORPORATE

Katherine Garvey

Company Secretary

T: +61 8 6373 8900

investor@mncom.com.au

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 2022-2026² 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.

² 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.