



Highlights

During the quarter:

- **MRC takes 100% ownership of Skaland, after acquisition of minority shareholder interest¹**
- **Appointment of Scott Lowe as Chief Executive Officer²**
- **Permanent seawater intake solution at Tormin secured as part of MSP funding³**

Subsequent to quarter end:

- **Resumption of operations at Skaland Graphite mine⁴**

Corporate and Cash

Cash: US\$1.4 million as at 30 September 2023 (US\$5.6 million as at 30 June 2023).

Borrowings: US\$7.9 million as at 30 September 2023 (US\$5.8 million as at 30 June 2023).

Securities: 691.5 million shares and 9.2 million performance rights as at the date of this report.

Focus during the quarter remained on actions to return Tormin to historical profitability and increasing its asset value.

Returning Tormin to historical profitability

Mineral Commodities Ltd (**MRC** or **the Company**) continued to execute the Company's growth strategy as outlined in its Five Year Strategic Plan 2022-2026 (**Strategic Plan**)⁵. The Strategic Plan includes three key catalysts for returning Tormin to historical profitability (during years 2015-2021 Tormin produced an average EBITDA of US\$16M), being:

1. Inland Strands production, which has been completed and commissioning in the March 2023 quarter⁶;
2. Third Primary Concentration Plant (**PCP**), aimed for completion March quarter 2024; and
3. Mineral Separation Plants (**MSPs**), aimed for completion March quarter 2024.

¹ Refer ASX Announcement entitled '[MRC to Take 100% Ownership of Skaland: BSG Matter Settled](#)', dated 3 July 2023.

² Refer ASX Announcement entitled '[Appointment of Chief Executive Officer](#)', dated 27 July 2023.

³ Refer ASX Announcement entitled '[Tormin Secures MSP Funding and Finished Garnet Offtake](#)', dated 22 May 2023 and ASX Announcement entitled '[Additional Information - MSP Funding and Garnet Offtake Agreements](#)', dated 23 May 2023.

⁴ Refer ASX Announcement entitled '[Resumption of Operations at Skaland Graphite Mine](#)', dated 10 October 2023.

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

⁶ Refer ASX Announcement entitled '[Commissioning Complete for Inland Strands Ore](#)', dated 27 March 2023.

1. *Inland Strands Production*

- Inland Strands commercial production and commissioning was completed in March and will substitute some annual beach mining. Mineral Sands Resources' (**MSR**) complete processing circuit at Tormin has been commissioned and is being further optimised to produce heavy mineral concentrate stocks and commercial production of garnet, ilmenite and non-magnetic (zircon and rutile) saleable concentrate products at theoretical production and historical recovery rates. PCP-2 processes Inland Strands material and PCP-1 will processes 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-2 processing Inland Strands ore;
- PCP upgrades, completed during the March 2023 quarter, meaning that each PCP can process either 1.5Mtpa of beach material or 1.2Mtpa of Inland Strands, up from 1.2Mtpa of beach material or 0.8Mtpa of Inland Strands historically. In total, management is currently targeting processing 2.7Mtpa of ore with two PCPs, up from historical rates of circa 2.4Mtpa;
- Production during the quarter was below theoretical production rates due to:
 - Seawater intake interruption - A more permanent seawater intake system solution has been finalised and is being funded through the MSP Loan Agreement with GMA Group, which should stabilise Inland Strands production by the end of 2023 and into 2024 in advance of introducing PCP-3 and MSPs;
 - Poor crusher availability - Crusher reliability is currently being assessed by crushing specialists to assess a potential permanent solution. In the interim, a locally available scalping screen has been successfully trialled that will help with deagglomeration and should improve Inland Strands material feed rates in the next quarter; and
 - Sub-optimal fine tailings removal - Fine tailings from the Inland Strands processing circuit reduces product grades by entraining other minerals and causing significant process plant downtime. Two (2) solutions to this problem have been identified: (i) double efficiency cyclones to increase the removal of fine tailings from ore upon presentation to the PCP; and (ii) a new water circulation circuit including a fresh seawater infeed line to the secondary process plant and a return line. These two solutions are fully funded as part of the US\$10 million GMA Loan Agreement and are expected to be in operation by the end of Q4 2023;

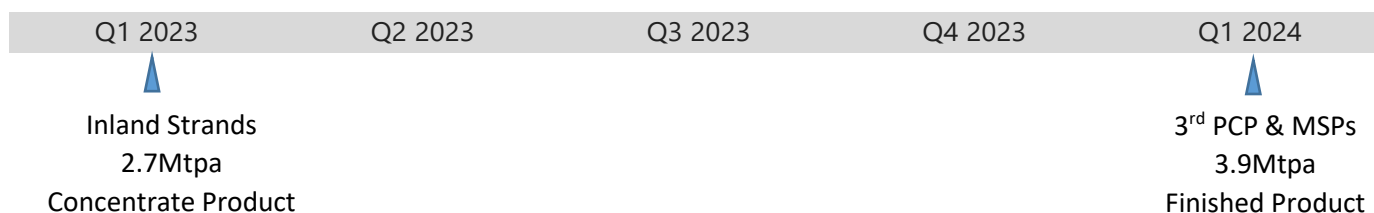
2. *3rd Primary concentrator PCP-3*

- PCP-3 is planned for Inland Strands material, targeting a further increase in ore processing from 2.7Mtpa to 3.9Mtpa. PCP-3 design has been upgraded from the PCP-1 and PCP-2 designs. PCP-3 is now planned to be in production by June quarter 2024. Work is underway on a revised funding plan for PCP-3 following operational issues during 2023 requiring funds allocated for PCP-3 in the last rights issue⁷ be used instead for working capital.

⁷ Refer ASX Announcement entitled '[Non-Renounceable Rights Issue Offer Document](#)', dated 7 October 2022.

3. MSP

- It is anticipated that concentrate product produced from ore processing at 3.9Mtpa will then be transitioned into higher value finished products, with the introduction of MSPs. The MSP is aimed to be in production in the March quarter 2024.



GMA Group contracts and financing

Contracts with GMA Group³ included a long term Offtake Agreement and a Loan Agreement to fund the introduction of MSPs. The terms of the Agreements are outlined below:

- Mineral Sands Resources (Pty) Ltd (**MSR**) agrees to supply GMA Group with finished garnet product in the following volumes:
 - 2024-2025 – 80ktpa;
 - 2026-2028 – 105ktpa; and
 - 2029-2033, subject to renewal at GMA's election – 125ktpa; and
- GMA Group agrees to provide MSR with US\$10,000,000 in loan funding, repayable over 5 years from 1 January 2024, to fund the design and construction of a 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 has drawn down US\$2.4 million to date towards the project, which is reflected in the increase in borrowings during the September 2023 quarter, partially offset by other lease repayments during the quarter. MSR has further drawn down an additional US\$1.0 million subsequent to the September 2023 quarter.

Increasing MRC ownership of Tormin

During the previous quarter, the Company announced an agreement with the Company's existing empowerment partner, Blue Bantry Investments 255 (Pty) Ltd (**Blue Bantry**), to increase its ownership interest in Tormin from 50% to 69%⁸, which is expected to materially increase the net present value of Tormin to MRC. The increase in ownership interest is subject to regulatory approval in South Africa.

The Company has entered into formal agreements (**Restructure Agreements**) for the restructure of its holding in Mineral Sands Resources (Pty) Ltd (**MSR**) to align with the recommendations of the Broad-Based Socio-Economic Empowerment Charter for the Mining and Minerals Industry, 2018 (as amended) (the "**2018 Mining Charter**"). To date, MRC has developed and operated the project via its 50% shareholding in MSR, via MRC Resources (**MRCR**), with the remaining 50% of MSR owned by Blue Bantry. Blue Bantry is owned by individuals who are South African Historically Disadvantaged Persons (**HDPs**) as defined by the 2018 Mining Charter and in accordance with the Mineral and Petroleum Resources Development Act No. 28 of 2002 (the "**MPRDA**").

⁸ Refer ASX Announcement entitled '[MRC To Increase Ownership Interest in Tormin](#)', dated 12 April 2023.

Following completion of the restructure of MSR, MSR's ownership structure will change to being 69% owned by MRCR, 21% owned by Blue Bantry, 5% owned by employees and 5% owned by the community.

In consideration for the reduction of Blue Bantry's interests in MSR from 50% to 21%, MRCR has agreed to provide minimum annual dividends at US\$210,000, forgive long term loans and other amounts owed to it by Blue Bantry, and the parties have agreed that Blue Bantry will be entitled to receive 11.3M fully paid ordinary shares in the capital of MRC (**Consideration Shares**).

Completion of the restructure of MSR by the transactions outlined above, including the issue of the Consideration Shares, is subject to the satisfaction of several conditions precedent including the receipt of all required regulatory approvals, and the receipt by MRC of shareholder approval for the issue of the Consideration Shares for the purposes of ASX Listing Rule 10.11 given Company director Mr Madiba Qunya is a 50% owner of Blue Bantry. Shareholders approved the issue of the Consideration Shares at the Company's Annual General Meeting, held on 25 May 2023, however due to unanticipated delays in the satisfaction of other conditions precedent that approval has now lapsed in accordance with the ASX Listing Rules and refreshed shareholder approval will need to be sought before the issue can be completed. A general meeting will be convened for this purpose, likely during the December 2023 quarter. Other conditions precedent remains outstanding, which the Company anticipates to be satisfied by the end of the December 2023 quarter.

Increasing the asset value of our Battery Minerals division¹

MRC entered into an agreement to settle the disputes between MRC Graphite (Norway) Pty Ltd (a subsidiary of the Company) (**MRCGN**) and minority ~10% shareholder BSG Mining LLC (**BSG**). The settlement resulted in MRCGN obtaining 100% ownership of Skaland Graphite AS ("Skaland") by acquiring BSG's ~10% shareholding in Skaland for a total of US\$1,900,000. MRCGN and BSG (together "the **Parties**") have agreed to a confidential settlement of all disputes between them on a no admission as to liability basis, and executed a Deed of Settlement (**Settlement Deed**) in that regard.

Details of the terms of the settlement are confidential but include:

- MRCGN agrees to pay BSG the amount of USD\$1,266,667 by 7 July 2023 (**First Tranche**). A further USD\$633,333 is to be paid by 17 November 2023;
- On the date the First Tranche is paid to BSG:
 - the Parties mutually release each other from all claims (including the Writ of Summons), and withdraw all dispute notices and default notices, and any other claims regarding the Shareholders Deed or the Proceedings;
 - they also agree to ensure that their respective officers, employees and agents or any person with whom it is associated in any way, or any Related Entity does not commence or maintain any claim or action (including any claim for costs) against the other party regarding such matters;
 - Legal and beneficial title to, and risk in, the BSG Shares passes to MRCGN, free of any encumbrances;
 - BSG's representative will resign as a Director of Skaland; and
 - the Shareholders Deed will be terminated;
- Standard confidentiality and non-disparagement clauses; and
- Each Party will bear its own costs.

MRCGN completed the First Tranche payment on 5 July 2023 and is now the registered 100% owner of Skaland, Mr Nania has resigned as a Skaland director, the Shareholders Deed has been terminated and mutual releases, including any and all legal matters, between the Parties have been completed.

The settlement allows MRC to achieve 100% control of Skaland, a potentially value-accretive investment. Skaland is a critical asset in our battery minerals division strategy and a critical operating asset in Europe. MRC will continue its focus in 2023 towards the successful completion of the graphite ore-to-battery anode piloting for anode materials production from Skaland and Munglinup, which is the final precursor to commercial scale graphitic anode production aimed for December quarter 2025.

SAFETY, ENVIRONMENT AND COMMUNITY

The Company's 12-month Total Recordable Injury Frequency Rate (**TRIFR**) remained at nil in the September 2023 quarter.

Tormin

Tormin had no recordable injuries during the September 2023 quarter.

Skaland

Skaland had no recordable injuries during the September 2023 quarter.

TORMIN OPERATIONS

Mining at Tormin remained confined to production at Northern Beaches and some removal of low grade stockpiles at Inland Strands, to minimise mining costs given that material Inland Strands stockpiles are available for processing. This reduced mining capacity is expected to continue in the December quarter 2023, before reverting to normal production in 2024.

Mining

Mining	30-Sep-23 Quarter	30-Jun-23 Quarter	30-Sep-22 Quarter	Year to Date 30-Sep-23	Year to Date 30-Sep-22
Material Mined – Tonnes (dmt)	416,437	606,969	852,498	2,130,084	2,310,352
High Grade Ore Mined – Tonnes (dmt)	209,121	232,202	785,996	871,111	2,238,758
Low Grade Ore Mined – Tonnes (dmt)	207,316	374,767	66,502	1,258,972	71,594
High Grade Ore Mined (VHM)	9.6%	6.4%	10.5%	8.2%	10.9%
- Garnet	7.1%	5.0%	8.2%	6.0%	8.7%
- Ilmenite	1.6%	0.9%	1.5%	1.5%	1.4%
- Zircon	0.6%	0.3%	0.5%	0.5%	0.5%
- Rutile	0.3%	0.2%	0.3%	0.2%	0.3%

Tormin reduced total material mined this quarter to 0.42 million tonnes, with a Valuable Heavy Mineral ("**VHM**") grade of 9.6% in comparison to the previous quarter of 6.4%. The increased VHM grade reflects the impact of winter storm surges providing additional beach mineral content in comparison to the previous quarter. Inland Strand ore mining remains deferred given the large stockpiles already in place at the start of the quarter. Better than expected tailings dewatering performance means new tailings pits will not need to be mined out as quickly

as budgeted, reducing overburden removal expectations. Mining will ramp up again in the March 2024 quarter as Inland Strands processing accelerates in the December 2023 quarter.

Processing

Primary processing

ROM feed tonnes to PCP-1 and PCP-2 were higher than the previous quarter at 321kt, representing an average feed rate of 243tph and 69% plant utilisation. Production remains below theoretical capacity due to ongoing seawater intake issues at both the Northern Beaches and Inland Strands, extended crusher breakdown at the Inland Strand significantly reducing feed rates and sub-optimal fine tailings removal.

Secondary processing

Total tonnes processed by the secondary concentrator (GSP/SCP) were 71kt, compared to 61kt from the previous quarter, with ongoing optimisation of the GSP to handle varied Inland Strand material. Management expects this will continue to improve next quarter with several capital enhancements scheduled for the December 2023 quarter.

Finished product

Final concentrate production for the period increased to 43,280 tonnes, a 30% increase compared to the June 2023 quarter of 33,296 tonnes. Management expects production to return to more historic levels given optimisation and resolution of the crusher breakdown and seawater intake that caused material downtimes this quarter for processing.

GSP/SCP Production & Processing	30-Sep-23 Quarter	30-Jun-23 Quarter	30-Sep-22 Quarter	Year to Date 30-Sep-23	Year to Date 30-Sep-22
Tonnes processed (gross dmt)	70,792	61,127	151,392	181,176	444,851
Tonnes produced (dmt)					
- Garnet concentrate	25,301	14,989	59,311	61,103	155,895
- Ilmenite concentrate	14,702	15,575	9,736	39,438	30,494
- Zircon/Rutile concentrate	3,277	2,731	2,080	7,263	6,390
- Zircon in concentrate	72.2%	69.6%	73.9%	70.6%	74.5%
- Rutile in concentrate	16.7%	17.4%	17.6%	16.7%	17.6%

The increase in garnet, ilmenite and zircon/ rutile concentrate production in the September 2023 quarter was due to improved grades from Northern Beaches ore during the quarter.

Sales

Sales (wmt)	30-Sep-23 Quarter	30-Jun-23 Quarter	30-Sep-22 Quarter	Year to Date 30-Sep-23	Year to Date 30-Sep-22
- Garnet concentrate	27,478	9,257	15,318	60,558	137,348
- Ilmenite concentrate	-	32,537	39,228	32,957	45,110
- Zircon/Rutile concentrate	2,449	1,960	2,380	4,829	8,669

Tormin shipments/sales were 2,449 wet metric tonnes of zircon/rutile concentrate, with some production sales deferred into the September 2023 quarter. Non-mags sales were below quarterly production due to containerised

shipping issues in South Africa during the quarter. Ilmenite production is building towards the next 55Kt shipment, scheduled for early March 2024 quarter. Garnet sales tonnes during the quarter was largely delivered into prepaid sales from the prior quarter and aligns with production for the quarter. Management note that 2,000 tonnes of non-mags sales are scheduled for October 2023.

Product sales revenue was US\$6.0 million, representing a total of 29,927 wet metric tonnes sold, compared to prior period revenue of US\$8.7 million for 43,754 wet metric tonnes sold. The decrease reflects the first Inland Strands ilmenite shipment during the June 2023 quarter, partially offset by increased garnet sales this quarter in line with higher production.

Unit Costs & Revenues

Summary of Unit Costs & Revenues	30-Sep-23 Quarter	30-Jun-23 Quarter	30-Sep-22 Quarter	Year to Date 30-Sep-23	Year to Date 30-Sep-22
Unit production cash costs per tonne of net final concentrate produced (US\$/dmt)	123.78	168.65	94.34	149.95	109.37
Unit cost of goods sold per tonne of final concentrate sold (US\$/wmt) ⁽¹⁾	166.69	193.55	160.09	170.78	142.74
Unit revenue per tonne of final concentrate sold (US\$/wmt)	199.76	202.09	191.91	180.74	171.96
Revenue to Cost of Goods Sold Ratio	1.20	1.02	1.20	1.06	1.20

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 September 2023 quarter's 27% lower unit production cash costs reflect 30% higher production this quarter due to improved grades from Northern Beaches ore during the quarter .

The September 2023 quarter's total unit cost of goods sold is 14% lower than last quarter due to 27% reduction in production cash costs this quarter, partially offset by higher concentrate sales last quarter due to the 32kt ilmenite bulk shipment.

Unit revenue per tonne of final concentrate sold for the September 2023 quarter of US\$199.76/t is in line with the US\$202.09/t for the previous quarter.

Plant production rates are expected to improve in the December quarter 2023.

SKALAND OPERATIONS

The September 2023 quarter was impacted by unavailability of the primary ore production drill rig for the September 2023 quarter due to long term breakdown caused by mechanical failure⁹ and the annual four week process plant maintenance shut down during the Norwegian summer holidays.

During the quarter the primary ore production drill rig at Skaland (Tamrock Data Solo 1020) suffered in-service failure and attempts to repair it were unsuccessful. The initial diagnostic was that a hydraulic pump had failed, and it was immediately repaired. However, upon restart it became evident that the entire hydraulic system has failed. The maintenance and engineering team at Skaland investigated and advised that the drill rig requires either major rebuild or replacement. The rig was originally built in 2002 and is approaching the end of its useful

⁹ Refer ASX Announcement entitled '[Temporary Business Interruption Skaland Graphite Mine](#)', dated 7 September 2023.

life. The Company estimated a negative impact to cash flows of approximately US\$0.6 million from this event.

A rental drill rig has been sourced and commissioned at Skaland. Primary drilling and ore processing recommenced on 10 October 2023. The rental drill rig, while currently operational and performing, is also an older rig and the Company is continuing to consider options to replace the current rental rig with a new or more recently built second hand unit. A decision is expected on a longer term solution as part of the upcoming 2024 budget planning cycle.

The Company's graphite concentrate sales during the quarter were below historical performance expectations of circa 10Kt per annum due to minimal production during the quarter, selling 1,004 tonnes of graphite concentrate during the period compared to 1,435 tonnes in the prior quarter.

Mining

Mining	30-Sep-23 Quarter	30-Jun-23 Quarter	30-Sep-22 Quarter	Year to Date 30-Sep-23	Year to Date 30-Sep-22
Material Mined	2,395	6,945	9,134	21,663	29,405
Ore Mined	-	4,825	8,392	14,219	27,465
Waste Mined	2,395	2,120	742	7,444	1,940
Ore Grade (%C)	-	29	24	28	25
Development Metres	17	23	104	90	336

Processing

ROM feed to the processing plant for the September 2023 quarter was 3,419 tonnes compared with 5,100 tonnes in the prior quarter. This reflects available ore stocks from the previous quarter, given there was no mining production this quarter.

Quarterly graphite concentrate production decreased to 973 tonnes with year-to-date tonnes at 66% of historical 10Ktpa. Management is hopeful of recovering the concentrate production rate in the December 2023 quarter to circa 2,500 tonnes.

Processing	30-Sep-23 Quarter	30-Jun-23 Quarter	30-Sep-22 Quarter	Year to Date 30-Sep-23	Year to Date 30-Sep-22
Ore Processed (t)	3,419	5,100	8,255	17,930	25,994
Throughput (tph)	8	6	7	7	7
Ore Grade (%C)	31	29	24	30	25
C Recovery (%)	92	90	94	91	92
Concentrate Grade (%)	94	98	93	95	93
Concentrate Produced (t)	973	1,435	2,228	4,932	7,496

Skaland processing continues to highlight its flexibility to produce higher grades subject to customer demand in 2023. This also provides the foundation for the Company's ore-to-anode strategy.

Sales

The Company sold 1,004 tonnes of graphite concentrate during the September 2023 quarter compared to 1,939 tonnes in the June 2023 quarter. This is in line with production this quarter.

Product (wmt)	30-Sep-23 Quarter		30-Jun-23 Quarter		30-Sep-22 Quarter		Year to Date 30-Sep-23		Year to Date 30-Sep-22	
	Sales	PSD %	Sales	PSD %	Sales	PSD %	Sales	PSD %	Sales	PSD %
Coarse/Medium	396	39%	936	48%	832	33%	2,221	42%	2,587	34%
Fine-Medium/Powder	608	61%	1,003	52%	1,698	67%	3,063	58%	5,021	66%
Total	1,004		1,939		2,530		5,284		7,608	

Sales revenue for the September 2023 quarter decreased to US\$0.9 million for a total of 1,004 tonnes sold. Decreased product sales tonnes reflect decreased production output.

Unit Costs & Revenues

Summary of Unit Costs & Revenues	30-Sep-23 Quarter	30-Jun-23 Quarter	31-Mar-23 Quarter	Year To Date 30-Sep-23
Unit production cash costs per tonne of net final concentrate produced (US\$/dmt)	1,318.55	884.78	735.92	894.17
Unit cost of goods sold per tonne of final concentrate sold (US\$/wmt) ⁽¹⁾	1,752.97	710.09	696.85	909.79
Unit revenue per tonne of final concentrate sold (US\$/wmt)	940.61	783.75	727.18	810.87
Revenue to Cost of Goods Sold Ratio	0.54	1.10	1.04	0.89

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.

High unit costs reflect significant production downtime during the quarter due to unavailability of the primary ore production drill rig for the September 2023 quarter due to long term breakdown caused by mechanical failure and the annual four week process plant maintenance shut down during the Norwegian summer holidays.

Higher unit revenue this quarter reflects improved product pricing in medium and fine medium products during the quarter.

DEVELOPMENT

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 2024 quarter, after final environmental approvals, mining rights and updating of the Definitive Feasibility Study (DFS) previously completed in January 2020. This has been deferred due to additional environmental assessment work requested by the regulator prior to approvals. 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 DFS outlining a graphite asset able to produce approximately 52,000tpa over 14 years at an average grade of 12.8%¹⁰. The Munglinup deposit formed

¹⁰ Refer ASX announcement entitled '[Robust Munglinup DFS Results Allow MRC to Move to 90% Ownership of Munglinup Graphite Project](#)', dated 8 January 2020.

most of the Pre-Feasibility Study valuation for battery anode production from Skaland and Munclinup¹¹. The NPV attributed to the Battery Materials division was US\$1.0 billion.

Management has finalised design on the pilot-scale graphite anode pilot plant within the Critical Minerals Acceleration Initiative (**CMAI**) Project, with procurement of long lead items underway. 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.

CORPORATE

The Company has appointed Scott Lowe as Chief Executive Officer (with effect from 1 September 2023). Scott is a senior mining executive with extensive experience in the industry spanning more than 35 years in a wide range of commodities and countries. His previous roles included Managing Director with Firefinch Ltd (ASX:FFX) and in recent years he has worked with South32 in Australia and as CEO of ArcelorMittal's West African mining business in Liberia. His career has included being CEO of publicly listed mining exploration and development companies and senior management positions in BHP and Peabody Pacific.

During his career, Scott has worked in a range of jurisdictions including Africa and delivered outstanding results in challenging environments, including achieving record production and low costs in an open cut operation in West Africa during the pandemic and managing the start-up of new open cut and underground mines in South Africa and West Africa. Commercially, Scott is very experienced in dealing with public markets, has raised capital, and negotiated successful Joint Ventures with BHP and Glencore. Importantly, Scott has a strong track record in establishing and maintaining positive relationships with governments, communities, employees and unions, as well as other external stakeholders that are essential for business success.

The Company is currently defending itself against an asbestos related claims pertaining to its ownership of Woodreef Mines Ltd in the 1970's. Management has obtained counsel and the proceedings are ongoing. Any potential liability related to these claims appears to be immaterial.

The Company's management has focused this quarter on returning its heavy minerals division to historical profitability and increasing its asset value, while also prioritising long lead work on increasing the asset value of the battery minerals division.

Heavy minerals achievements during the quarter and up to the date of this report include:

- Ongoing plant optimisation and commercial production from Inland Strands material. This is critical to sustainable beach mining operations at higher grades in the long term;
- Seeking final regulatory approvals work is ongoing for increasing the Company's stake in its heavy minerals production assets from 50% to 69%, expected to materially increase the net present value of the Company's stake in these assets;
- Finalisation of design for the PCP-3 asset, aimed at increasing production from 2.7Mtpa to 3.9Mtpa, subject to funding; and
- Commencement of procurement and long lead construction of the MSPs circuit, with GMA Group funding MSPs up to US\$10 million, that is underpinned by a long term offtake agreement with GMA Group. MSPs remain targeted for production from March quarter 2024.

¹¹ Refer ASX announcement entitled '[MRC Complete PFS For Active Anode Materials Plant in Norway](#)', dated 21 September 2020.

Battery minerals achievements during the quarter and up to the date of this report include:

- Stakeholder engagement with environmental authorities seeking to expedite Munghlinup environmental approvals (note feedback is that this may be delayed until the June 2024 quarter);
- Continued negotiation and engagement with Mitsubishi Chemical Corporation on its technical collaboration;
- Long lead procurement underway for the pilot scale battery anode plant, which is the final precursor to commercial anode production; and
- Settlement of dispute at Skaland with our minority shareholder (< 10% interest), whereby MRC purchased the shares of the minority shareholder and obtained 100% control of Skaland.

Securities on Issue

Issued securities at the date of this report comprise:

- 691,455,941 fully paid ordinary shares listed on the ASX.
- 1,200,000 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.
- 1,200,000 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.
- 1,200,000 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 –

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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 Chris De Vitry, who is a member of the Australian Institute of Mining and Metallurgy ("AusIMM") and an independent consultant to the Company. Mr De Vitry is the Director and principal Geologist of Manna Hill GeoConsulting Pty Ltd. 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 De Vitry was prepared under the JORC Code (2012). Mr De Vitry consents to inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this Announcement related to Ore Reserves is based on information compiled and has been approved for release by Mr. Daniel Hastings, who is a member of the Australian Institute of Mining and Metallurgy ("AusIMM"). Mr. Hastings is a Principal Consultant at Quantified Strategies Pty Ltd and has over 25 years of mining experience in a variety of mineral deposits and styles. Mr. Hastings has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person in accordance with the JORC Code (2012). The information from Mr. Hastings was prepared under the JORC Code (2012). Mr. Hastings consents to inclusion in the report of the matters based on this information in the form and context in which it appears.