

MRC agrees terms to settle dispute and become 100% owner of Munglinup Graphite Project

Key points

- MRC has executed a non-binding term sheet to settle the dispute with JV partner, Gold Terrace, and acquire the remaining 49% interest in Munglinup
- Upon completion of the transaction via a formal agreement, MRC will become the 100% owner of Munglinup
- Total consideration for the transaction is \$A7.5M for 49% payable in three (3) tranches
- Completion of the formal agreement is subject to standard conditions precedent
- MRC is in negotiations to obtain funding to finance completion of the transaction

Mineral Commodities Ltd (“**MRC**” or “**the Company**”) (ASX:MRC) is pleased to advise that its wholly owned subsidiary MRC Graphite Pty Ltd (“**MRCG**”) has reached in-principle agreement with Gold Terrace Pty Ltd (“**Gold Terrace**”), its joint venture partner in the Munglinup Graphite Project (“**Munglinup**”), to settle a dispute and acquire the remaining 49% interest in Munglinup. The Company holds an existing 51% interest in Munglinup. Upon acquiring the remaining 49% interest, the Company will become the 100% owner of Munglinup.

Terms of commercial settlement with Gold Terrace

The Company and Gold Terrace are currently negotiating a formal sale agreement (“**Formal Agreement**”) to document the sale of Munglinup and the settlement of the dispute. Gold Terrace has agreed to not pursue any legal claims in respect of the joint venture agreement until completion of the Formal Agreement.

The Formal Agreement is expected to include the following key terms, consistent with the term sheet:

- The total consideration to be paid to Gold Terrace in exchange for its 49% interest in Munglinup is \$A7.5M in cash payable in three (3) tranches:
 - The first tranche is a non-refundable deposit of A\$250k to be paid upon execution of the Formal Agreement
 - The second tranche is a further A\$5.25M to be paid upon completion of the sale of Munglinup
 - The third and final tranche will be a deferred payment of A\$2M to be paid on the earlier of (a) 18 months after completion, (b) a decision to develop a mine, or (c) the Company or MRCG entering into an agreement to dispose of or sell the 49% interest in Munglinup
- Completion is subject to market standard conditions precedent to completion including regulatory approvals such as Foreign Investment Review Board Approval and ministerial consent, Gold Terrace agreeing to withdraw certain caveats against the Company’s tenements, and any shareholder approval associated with the potential provision of funding from another party to the Company (if required).
- Upon completion, the joint venture agreement between the Company and Gold Terrace will terminate and Gold Terrace will release the Company from claims in relation to the joint venture agreement on a no fault basis.

- Completion is presently expected to occur in or around early October 2024.
- The Formal Agreement will include customary warranties and releases of a transaction of this nature.

Funding

The Company is currently in advanced discussions regarding the securing of financing to fund the acquisition of the 49% interest in Munmlinup, along with other graphite project initiatives and additional working capital.

Next steps and timing

The Company expects to execute a formal agreement with Gold Terrace in the near future in parallel with work to secure funding.

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

"The Munmlinup transaction is a very significant milestone in the Company's transition to focus exclusively on graphite projects. MRC is very pleased that the good faith negotiations undertaken with Gold Terrace have reached this outcome that is beneficial for both parties. Looking ahead, Munmlinup is an important element of the Company's suite of graphite assets that includes the Munmlinup development project in Australia, the Skaland operating graphite mine in Norway and the Active Anode Material Project."

ENDS

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

For further information, please contact:

INVESTORS & MEDIA

Scott Lowe

CEO

T +61 8 6373 8900

info@mncom.com.au

CORPORATE

Katherine Garvey

Company Secretary

T +61 8 6373 8900

info@mncom.com.au

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 Munmlinup 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.

Forward Looking Statements

This announcement may contain forward-looking information and forward-looking statements (collectively, forward-looking statements). These forward-looking statements are made as of the date of this announcement and the Company does not intend, and does not assume any obligation, to update these forward-looking statements.

Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events and include, but are not limited to the Company's strategy and objectives. In certain cases, forward-looking statements can be identified by the use of words such as, "aim", "anticipated", "believe", "considered", "continue", "could", "estimate", "expected", "for", "forecast", "future", "interpreted", "likely", "looking", "may", "open", "optionality", "plan" or "planned", "potential", "provides", "robust", "targets", "will" or variations of such words and phrases or statements that certain actions, events or results may, could, would, might or will be taken, occur or be achieved or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.