

## MRC in negotiations to settle dispute and potentially increase interest in Munmlinup Project to 100%

Mineral Commodities Ltd (“**MRC**” or “**the Company**”) (ASX:MRC) is pleased to advise that its wholly owned subsidiary MRC Graphite Pty Ltd (“**MRCG**”) has been undertaking good faith without prejudice negotiations with Gold Terrace Pty Ltd (“**Gold Terrace**”), its joint venture partner in the Munmlinup Graphite Project (“**Munmlinup**” or the “**Munmlinup Project**”), aimed at reaching a commercial settlement to a dispute regarding MRCG’s right to earn 90% interest in the Munmlinup Project.

The Company intends to delay satisfying its Earn in Obligation to allow time for a settlement to be agreed.

If successful, a completed settlement would result MRCG increasing its interest in Munmlinup from 51% to 100%.

### Background

MRCG currently holds a 51% interest in the Munmlinup Project pursuant to a Farmin and Joint Venture Agreement between MRC, MRCG and Gold Terrace executed in November 2017 (“**Agreement**” or “**JV Agreement**”), with the remaining 49% held by Gold Terrace. The Agreement provides for MRCG to increase its interest from 51% to 90% by completing a Feasibility Study, paying Gold Terrace A\$800,000 and issuing 30 million MRC shares to Gold Terrace (collectively, the “**Earn-in Obligations**”).

MRC announced on 18 April 2024 that it had notified Gold Terrace that it intended to satisfy the remaining Earn-in Obligations by paying Gold Terrace A\$800,000 and issuing 30 million MRC shares to Gold Terrace on 6 June 2024. In announcing this development, MRC noted that notwithstanding its prior written acknowledgement, Gold Terrace disputes MRCG’s right to increase its interest in the Munmlinup Project from 51% to 90% on the basis that the Feasibility Study provided to Gold Terrace did not comply with the requirements specified in the Agreement. MRCG maintains that it has satisfied the relevant Earn-in Obligation and therefore has the right to increase its interest in the Munmlinup Project from 51% to 90%.

### Potential commercial settlement

The parties have met on a number of occasions to resolve the dispute and reach a commercial settlement. While both parties reserve their rights, progress has been made and good faith negotiations are continuing. The specific terms being discussed remain confidential and the outcome remains uncertain. However, if successfully executed and completed, an agreement is likely result in the dispute being resolved and MRCG owning 100% of the Munmlinup Project.

### Revised timeframe

To allow sufficient time for an agreement to potentially be reached and for Foreign Investment Review Board approval, the Company has advised Gold Terrace of a revised completion date of 6 July 2024 to satisfy its Earn-in Obligations.

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

*“MRC is encouraged by the good faith negotiations that have taken place with Gold Terrace. Sufficient progress has been made to justify a delay to MRC exercising its earn-in right, to allow time for a commercial settlement to be reached and potentially see MRC’s interest in the Munmlinup Project increase to 100%. 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 Australia and the Active Anode Material Project.”*

## 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.