

Mineral Commodities Ltd – Shareholder update

Mineral Commodities Ltd (**Company** or **MRC**) (ASX:MRC) advises it has entered into secured loan facilities with existing shareholders for up to A\$2,400,000 of funding.

The funding is being provided by five lenders, including the Company's largest shareholder, Au Mining Limited (**Au Mining**)(A\$2,000,000) and four other shareholders (A\$100,000 each).

Detailed summaries of the terms and conditions of the loans are set out in Annexures A and B to this announcement.

The loan funds will be used for the following purposes:

- A\$250k to be paid to Garnet International Resources Pty Ltd (**GMA**) in accordance with the provisions of the standstill agreement (see announcement 9th September 2024);
- A\$250k Non-refundable deposit to be paid to Gold Terrace Pty Ltd for MRC to acquire 49% of the Munglinup Project (see announcement 25th June 2024);
- Skaland working capital; and
- Corporate costs / general working capital.

The loans are repayable on the maturity date as set out in Annexures A and B. Subject to MRC shareholder approval, the loan from Au Mining may, at Au Mining's election, be converted into ordinary shares at an issue price of A\$0.015 per share. The loans from the other lenders may, at MRC's election, be converted into ordinary shares at an issue price of A\$0.015 per share.

MRC also advises it is currently in exclusive discussions with a third party for the sale of its 100% share of the Skaland Graphite Mine (**Skaland**) in Norway. MRC will provide an update if such discussions result in a binding sale agreement.

ENDS

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Authorised for release by the CEO.

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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 Natural Flake Graphite from operations in Norway.

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 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.

Annexure A – Terms of the loan agreement between MRC and Au Mining

Lender	Au Mining
Loan amount	<p>A\$2,000,000 available in three tranches as follows (all tranches are conditional on there being no event of default subsisting or will result from the drawdown of a tranche and the standstill agreement with GMA (refer ASX announcement dated 3 October 2024) remaining valid):</p> <ul style="list-style-type: none"> (a) A\$800,000; (b) A\$500,000 subject to Au Mining being satisfied that the proposed third-party purchaser of Skaland has confirmed by 31 October 2024 an indicative purchase price for Skaland that is not materially lower than what has been discussed between the parties to date; and (c) A\$700,000 subject to a binding sale agreement for the purchase of Skaland is executed conditional only on shareholder approval (if required by ASX) and evidence that GMA agrees not take enforcement action under the loan agreement between GMA, Mineral Sands Resources Pty Ltd (MSR) and MRC or the associated security granted by MSR.
Use of funds	<ul style="list-style-type: none"> (a) advancing the graphite and active anode projects (including pilot plant, studies and obtainment of environmental and other permits at Munglinup) up to a maximum amount of A\$600,000; (b) payment of A\$250,000 to Gold Terrace Pty Ltd As part payment for the acquisition of Gold Terrace Pty Ltd's 49% interest in Munglinup; and (c) general working capital for corporate (including legal costs) up to a maximum amount of A\$1,150,000.
Interest rate	20% per annum. MRC must pay additional interest on all unpaid and overdue amounts that are due and payable if they are outstanding for less than one year at an additional rate of 10% per annum, or, any amounts which are unpaid and overdue for greater than one year, at an additional rate of 15% per annum.
Establishment Fee	1% of the total loan funds.
Maturity Date	<p>The Maturity Date of the loan is the earlier of:</p> <ul style="list-style-type: none"> (a) 2 years from the first drawdown unless otherwise agreed by the parties; (b) the sale of Skaland; and (c) in the event that MRC shareholders do not approve any (or all) of the resolutions required for conversion of the loan (as noted below), 20 Business Days after the date of the applicable shareholder meeting.
Security	MRC has entered into a first ranking general security deed with Au Mining. ASX granted MRC a waiver from ASX Listing Rule 10.1 which permitted MRC to grant the security to Au Mining without shareholder approval. The other lenders, Au Mining and MRC have entered into a deed of priority in relation to the security.
Facility Options	Subject to receipt of MRC shareholder approval, MRC will issue Au Mining 200,000,000 options (each option with an exercise price of A\$0.015 and expiry date that is 3 years from the date of issue).
Repayment and conversion	The loan is repayable on the Maturity Date. However, subject to receipt of shareholder approval for the purposes of item 7 section 611 of the Corporations Act and Listing

	Rule 10.11, at the election of Au Mining, the loan may be converted into ordinary shares at a conversion price of A\$0.015 per share.
Events of default	The events of default are customary for agreements of this nature.
No fundraising	MRC shall not, without the written consent of Au Mining, undertake an equity capital raising whilst there amounts outstanding under the Au Mining funding documentation unless it is (1) a pro-rata rights issue upon terms which enable subscription by way of cash and/or conversion of any debt owing by MRC to shareholders or (2) an accelerated entitlement offer with an up- front placement.

Annexure B – Terms of the loan agreement between MRC and other lenders

Each Lender has entered into separate loan agreements on identical terms.

Lenders	Kensington Capital Management Pty Ltd, Alexaner Lowrie, Louise Lowrie and Richard Lockwood (each, a Lender).
Loan amount	A\$100,000 per Lender
Use of funds	General working capital
Interest rate	15% per annum. MRC must pay additional interest on all unpaid and overdue amounts that are due and payable if they are outstanding for less than one year at an additional rate of 10% per annum, or, any amounts which are unpaid and overdue for greater than one year, at an additional rate of 15% per annum.
Establishment Fee	1% of the total loan funds.
Conditions	Provision of the funds is subject to MRC providing each Lender certain financial information and execution and perfection of the Security (noted below).
Maturity Date	The Maturity Date of the loan is the earlier of: (a) 2 years from the first drawdown unless otherwise agreed by the parties; and (b) the sale of Skaland.
Security	MRC has entered into a first ranking general security deed with each Lender. The Lenders, Au Mining and MRC have entered into a deed of priority in relation to the security.
Facility Options	Subject to receipt of MRC shareholder approval, MRC will issue each Lender 10,000,000 options (each option with an exercise price of 1.5 cents and expiry date that is 3 years from the date of issue).
Repayment and conversion	The loan is repayable on the Maturity Date or at the election of MRC, the loan may be converted into ordinary shares at a conversion price of A\$0.015 per share.
Events of default	The events of default are customary for agreements of this nature.