

Market Announcement

31 July 2024

Mineral Commodities Ltd (ASX: MRC) – Suspension from Quotation

Description

The securities of Mineral Commodities Ltd ('MRC') will be suspended from quotation immediately under Listing Rule 17.2, at the request of MRC, pending the release of an announcement regarding an oil spill.

Issued by

ASX Compliance

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Dear Sir / Madam

Request for Voluntary Suspension

Mineral Commodities Limited (ASX:MRC) (**MRC** or **Company**) hereby requests a voluntary suspension in its securities from ASX effective immediately (Wednesday, 31 July 2024).

Further to the Company's request for trading halt dated 29 July 2024, MRC provides to following update to shareholders regarding an oil spill that has very recently occurred on the shore as a result of the maritime incident that happened on 10 July 2024 when the ship the MV Ultra Galaxy (**Ship**) ran aground close to the operating beaches of the Tormin Mineral Sands Project (**Tormin**) owned by Mineral Sands Resources Pty Ltd (**MSR**). MRC currently holds 50% of MSR.

The Ship has no connection to MSR or MRC. It was not carrying MSR cargo and was not owned or chartered by MRC or MSR.

Oil spill incident

Early Monday 29 July 2024 the Company was informed that more extreme weather has since caused damage to the Ship that has resulted in oil being spilled into the ocean that has reached the shoreline.

While the government authority South African Maritime Safety Authority (**SAMSA**) has been working since the original incident 10 July 2024 to reduce the risk of an oil spill by draining of oil and fuel from the Ship, unfortunately this was not completely successful.

SAMSA remains onsite at Tormin along with spill management contractors to coordinate emergency incident response and ultimately ship recovery operations. Tormin staff continues to provide shore-based assistance including access to the beach area at Tormin.

Effect on Tormin production and resources

Interruption to Seawater intake essential for production

While the spill began where the Ship ran aground opposite the beach mining area #4, it has since drifted south approaching the area where seawater is pumped from the ocean for minerals processing.

Site management has ceased drawing seawater to prevent process water contamination.

In addition to the risk of oil contamination of the water supply, the heavy seas and extreme conditions have torn away the pipelines and cannot be restored until seas are calm. This will further impact production.

Production from the process plant is now limited by the amount of water available in the mine storage dam until full water supply can be restored. How long this will take is unknown at this stage.

Beach mineral resource contamination

There has been some significant, immediate oil contamination.

It is too early to assess the extent and impact on the full mineral resources and mining areas on the Tormin beaches, a length of coastline that extends over 10km. This will remain unclear until the oil has been removed and Ship recovered in the coming months.

The potential to economically mine some areas of the beach sand in the future is now uncertain and remains at risk depending extent and concentration of the contamination.

Road access

Heavy rainfall associated with the storms that caused the Ship to run aground in the area where the mine is located resulted in flooding that impacted revenues by temporarily cutting off deliveries of saleable product.

While the road currently remains open, any heavy rainfall in the near future associated with the storms has the potential to cause further interruption to product deliveries.

MSR business impact and funding

This oil spill and its impact on production, coming so soon after the initial extreme weather event that caused the Ship to run aground, has placed financial pressure on the MSR business and impacted its ability to continue trading.

Given the MSR's financial position, MRC has made the difficult decision to cease funding Tormin.

In accordance with ASX Listing Rule 17.2, the Company advises that:

1. The Company seeks the voluntary suspension pending the outcome of:
 - (a) the Company advising MSR that the Company will no longer continue funding MSR; and
 - (b) the Company's discussions with various parties regarding the proposed funding of the Company.
2. The Company requests the trading halt continue until the earlier of:
 - (a) the Company releasing an announcement regarding the matters noted in paragraphs 1(a) and (b) above; or
 - (b) the commencement of normal trading on Tuesday, 6 August 2024.
3. The Company is not aware of any reason why the suspension should not be granted.
4. The Company is not aware of any other information necessary to inform the market about the suspension.

Your sincerely



Sarah Gaffney-Smith
General Counsel and Joint Company Secretary

Authorised for release by the CEO.