

Key Matters

Tormin:

- South African business rescue process continued.

Skaland:

- Saleable production 1,151 tonnes, impacted by European summer holiday.

Munglinup:

- Work continued on formal agreement for binding transaction to settle dispute with JV partner and increase interest in Munglinup Project to 100%

Subsequent to quarter end:

- Agreement reached with GMA to vary the conditions of a standstill agreement to take no action on MRC parent guarantee for GMA loan to MSR.
- Up to A\$2.4 million in convertible shareholder loan facilities executed.
- Exclusive discussions underway with a third party to purchase 100% of Skaland Graphite AS

Corporate and Cash

- **Available Cash:** US\$0.4 million as at 30 September 2024 (US\$0.6 million as at 30 June 2024).
- **Borrowings:** US\$6.1 million as at 30 September 2024 (US\$9.25 million as at 31 June 2024).
- **Securities:** 984.5 million shares and 29.3 million performance rights as at the date of this report.

The reduction in borrowings is based on deconsolidation of liabilities in South Africa.

Post quarter end, Mineral Commodities Ltd (“MRC” or “Company”) advised shareholders that 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).

Post quarter end, the Company also announced that 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 and will provide an update if such discussions result in a binding sale agreement.

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Advancing Battery Mineral Projects and Assets

The Company remains committed to building the asset value of the Battery Minerals Division. Achievements during the quarter and up to the date of this report include:

- Continued engagement with Mitsubishi Chemical Corporation on its technical collaboration;
- Commissioning of the pilot scale battery anode plant is underway, with encouraging preliminary results; and
- Progress towards securing 100% of the Munmlinup Graphite Project.

Munmlinup (51%)

During the quarter the Company continued work on negotiating a formal sale agreement ("**Formal Agreement**") between MRC Graphite Pty Ltd ("**MRCG**") and Gold Terrace Pty Ltd ("**Gold Terrace**"), its joint venture partner in the Munmlinup Graphite Project ("**Munmlinup**"), to settle a dispute and MRCG to acquire the remaining 49% interest in Munmlinup. The Company currently holds an existing 51% interest in Munmlinup. Upon acquiring the remaining 49% interest, the Company will become the 100% owner of Munmlinup.

Gold Terrace has agreed to not pursue any legal claims in respect of the joint venture agreement until completion of the Formal Agreement.

The total consideration to be paid to Gold Terrace in exchange for its 49% interest in Munmlinup is \$A7.5M in cash payable in three (3) tranches as detailed in the announcement dated 25 June 2024.

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).

The Formal Agreement is an advanced state of drafting. However, it has not yet been executed and the parties are in good faith discussions regarding timing and other conditions given recent changes in the Company's circumstances and funding arrangements.

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.

Obtaining environmental approvals and advancing studies remain the priorities for the Munmlinup graphite development and are expected to be achieved by the June 2025 quarter following some delays in the process.

The Munmlinup Graphite Project remains a crucial asset in the Company's overall goal to supply natural graphite into the key high-demand battery anode markets, with the DFS (2020) outlining a graphite asset able to produce approximately 52,000tpa of ore over 14 years at an average grade of 12.8%.

It is MRC's strategy to reposition the Company as being focused on graphite only, with integrated assets.

Active Anode Plant Project (100%)

As previously advised, commissioning of the pilot-scale graphite anode pilot plant has delivered encouraging preliminary results with the achievement of battery grade overall purity in a single pass (without optimization) using 898 flake material. The pilot plant is partly financed by the Australian government Critical Minerals Acceleration Initiative ("**CMAI**") Project.

Subsequent to the commissioning process there was an electrical fault in the pilot plant and repairs are currently underway with restart expected in the December quarter.

The Company also continues to advance its collaboration with Mitsubishi Chemical Corporation and CSIRO (the Australian government research organization).

Tormin

The Company previously reported that Mineral Sands Resources (Pty) Ltd ("**MSR**"), the owner of Tormin appointed a business rescue practitioner shortly after the major maritime incident that occurred in July 2024.

All decisions regarding the operation of Tormin, dealing with its creditors and the future of the business including ownership are being made by the business rescue practitioners in accordance with South African law. The Company understands a "business rescue plan" will be put to MSR's creditors in late November 2024.

MRC currently continues to hold 50% of MSR and is also a major creditor of MSR as a result of intercompany loans between MSR and other entities in the wider MRC Group.

Safety, Environment and Community Q3 2024

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

Skaland

Skaland had no recordable injuries during the September 2024 quarter.

Skaland Operations

Graphite concentrate production during the quarter was 1,151 tonnes impacted by the summer break. The operating target remains achieving annualized production levels of 10ktpa.

Skaland Mining and Processing

Ore was not produced from stoping operations during the quarter due to a delay in securing a replacement for the drill rig that failed in September 2023. A new rig was ordered at that time and has been manufactured. Delivery of the new rig to Skaland is subject to funding. In the meantime, plans are being implemented to produce ore from development work.

Processing operations during the quarter have continued using available ore and this will continue into the December quarter while plans are being made to produce ore from development operations.

ROM feed to the processing plant for the September 2024 quarter was 4,685 tonnes. Quarterly graphite concentrate production was 1,151 tonnes, which is 46% of the budget. The September quarter production was affected by plant availability and a 3-week shutdown for the European summer holidays, however plant maintenance was performed during the downtime aiming to improve plant reliability for the rest of the year.

Processing	30-Sep-24 Quarter	30-Jun-24 Quarter	31-Mar-24 Quarter	Year to Date 30- Sep-24
Ore Processed (t)	4,685	7,011	5,120	16,816
Throughput (tph)	7	7	8	7
Ore Grade (%C)	26	29	28	28
C Recovery (%)	90	92	90	91
Concentrate Grade (%)	94	91	91	91
Concentrate Produced (t)	1,151	1,890	1,282	4,323

Skaland Sales

Graphite sales were 1,186 tonnes of graphite concentrate during the September 2024 quarter, substantially down compared to 2,217 tonnes budgeted. This was directly impacted by shipping timetables and lower than expected concentrate production. Sales revenue for the September 2024 quarter were US\$1.043 million.

Product (wmt)	30-Sep-24 Quarter		30-Jun-24 Quarter		31-Mar-24 Quarter		Year to Date 30-Sep-24	
	Sales	PSD %	Sales	PSD %	Sales	PSD %	Sales	PSD %
Coarse/Medium	610	43%	937	42%	489	46%	2,036	43%
Fine-Medium/Powder	576	57%	1,280	58%	579	54%	2,435	57%
Total	1,186		2,217		1,068		4,471	

Skaland Unit Costs & Revenues

The quarterly variances in the metrics below primarily reflect variances in production and sales volumes over a cost base that has a significant fixed cost component.

Core fixed costs remain under control, however the increasing costs of plant maintenance and hire equipment to replace/augment existing assets is beginning to place pressure on variable cost components. This is expected to continue in the December quarter.

Summary of Unit Costs & Revenues	30-Sep-24 Quarter	30-Jun-24 Quarter	31-Mar-24 Quarter	Year To Date 30-Sep-24
Unit production cash costs per tonne of net final concentrate produced (US\$/dmt)	1434.27	941.35	1,508.36	1240.74
Unit cost of goods per tonne of final concentrate sold (US\$/wmt) ⁽¹⁾	1422.84	1,046.82	1,656.44	1292.19
Unit revenue per tonne of final concentrate sold (US\$/wmt)	879.83	833.74	917.01	873.79
Revenue to Cost of Goods Sold Ratio sold	0.62	0.8	0.55	0.68

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.

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Corporate and finance

GMA

Shortly after the end of the quarter, Garnet International Resources Pty Ltd (“**GMA**”) agreed to an amendment to extend the standstill arrangement (refer announcements dated 19 August 2024 and 9 September 2024 and 3 October 2024) (“**Standstill Agreement**”). The Standstill Agreement provides that GMA will take no action in relation to the parent guarantee granted by MRC in relation to a loan between GMA and MSR, entered into in May 2023. GMA will have a right to terminate the Standstill Agreement if:

- 1) a term sheet for a transaction that will ultimately allow for the parent guarantee amount to be funded (**Proposed Transaction**) is not executed by 15 October 2024;
- 2) it becomes reasonably apparent to GMA based on the information provided to it by MRC that that there is no longer a reasonable prospect that any of the following will occur (or has not occurred by the relevant date specified below):
 - \$800,000 of shareholders/investor financing will be received by MRC by no later than 23 October 2024 (**Initial Receipt Date**);
 - confirmation of the consideration for the Proposed Transaction (**Confirmation Receipt**) is received no later than 31 October 2024;
 - \$500,000 of shareholders/investor financing will be received by MRC by no later than 6 business days after the earlier of the date of Confirmation Receipt and 31 October 2024;
 - the Proposed Transaction has or will not complete by 13 December 2024; or
 - such funding referred to above has ceased to be committed or is otherwise unavailable.

As previously announced, MRC was required to contribute A\$250k to GMA’s costs, such contribution has been made within the required timeframe.

MRC secured A\$2.4 million funding in convertible loan facilities

Subsequent to the quarter end, on 17 October 2024, the Company announced it had entered into convertible loan facilities agreements with existing shareholders for a maximum of A\$2.4M. 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).

Use of funds

The loan funds will be used for the following purposes:

- A\$250k to be paid to GMA in accordance with the provisions of the standstill agreement (see announcement 9 September 2024);
- A\$250k Non-refundable deposit to be paid to Gold Terrace for MRC to acquire 49% of the Munghlinup Project (see announcement 25 June 2024). The timing and conditions relating to this deposit are currently being discussed with Gold Terrace along with discussions in relation to finalization of a binding agreement;
- Skaland working capital; and
- Corporate costs / general working capital.
- The terms and conditions of the loans are set out in the announcements dated 17 October 2024, 18 October 2024 and 29 October 2024.

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Half yearly accounts and audit

Half yearly accounts for 30 June 2024 remain under audit review and are expected to be completed and lodged in the December quarter.

Securities on Issue

No securities were issued or cancelled during the quarter.

Issued securities at the date of this report comprise:

- 1) 984,472,599 fully paid ordinary shares listed on the ASX.
- 2) 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.
- 3) 7,900,000 Performance Rights vesting on 11 March 2025 upon the 30-day VWAP being at or above A\$0.038 in the period prior to 11 March 2025, expiring on 11 March 2028.
- 4) 7,900,000 Performance Rights vesting on 11 March 2026 upon the 30-day VWAP being at or above A\$0.038 in the period prior to 11 March 2026, expiring on 11 March 2028.
- 5) 7,900,000 Performance Rights vesting on 11 March 2027 upon the 30-day VWAP being at or above A\$0.038 in the period prior to 11 March 2027, expiring on 11 March 2028.

ENDS

Issued by Mineral Commodities Ltd ACN 008 478 653 www.mineralcommodities.com

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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.

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