

ASX RELEASE

ASX: MRC

3 July 2023

MRC TO TAKE 100% OWNERSHIP OF SKALAND: BSG MATTER SETTLED

Mineral Commodities Ltd ("**MRC**" or "**the Company**") is pleased to announce that it has entered into an agreement to settle the disputes between MRC Graphite (Norway) Pty Ltd (a subsidiary of the Company) ("**MRCGN**") and minority ~10% shareholder BSG Mining LLC ("**BSG**"). The settlement will result in MRCGN obtaining 100% ownership of Skaland Graphite AS ("**Skaland**") by acquiring BSG's ~10% shareholding in Skaland for a total of US$1,900,000.

As previously announced on 15 December 2022[1], 14 March 2023[2] and 16 March 2023[3], the disputes were in relation to the shareholders deed between MRCGN, BSG and Skaland entered into on 13 February 2020 ("**Shareholders Deed**").

MRCGN and BSG (together "**the Parties**") have agreed to a confidential settlement of all disputes between them on a no admission as to liability basis, and executed a Deed of Settlement ("**Settlement Deed**") in that regard.

Details of the terms of the settlement are confidential but include:

(a) MRCGN agrees to pay BSG the amount of USD$1,266,667 by 7 July 2023 ("**First Tranche**") and USD$633,333 by 17 November 2023;
(b) On the date the First Tranche is paid to BSG:
    a. the Parties mutually release each other from all claims (including the Writ of Summons[2]), and withdraw all dispute notices and default notices, and any other claims regarding the Shareholders Deed or the Proceedings;
    b. they also agree to ensure that their respective officers, employees and agents or any person with whom it is associated in any way, or any Related Entity does not commence or maintain any claim or action (including any claim for costs) against the other party regarding such matters;
    c. Legal and beneficial title to, and risk in, the BSG Shares passes to MRCGN, free of any encumbrances;
    d. BSG's representative will resign as a Director of Skaland; and
    e. the Shareholders Deed will be terminated;
(c) Standard confidentiality and non-disparagement clauses; and
(d) Each Party will bear its own costs.

None of MRC, MRCGN or BSG will make any further comment in relation to the Settlement Deed or the factors giving rise to the issues in dispute.

[1] Refer ASX Announcement entitled 'Receipt of Default Notice' dated 15 December 2022.
[2] Refer ASX Announcement entitled 'Receipt of BSG Writ of Summons' dated 14 March 2023.
[3] Refer ASX Announcement entitled 'Further Information – Notice of Default and Writ of Summons' dated 16 March 2023.

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The Company's Interim Chief Executive Officer, Mr Adam Bick commented: "*We are pleased that we came to a settlement with BSG on all outstanding matters, allowing MRC to achieve 100% control of Skaland, a potentially value-accretive investment. Skaland is a critical asset in our battery minerals division strategy and a critical operating asset in Europe. MRC will continue its focus in 2023 towards the successful completion of the graphite ore-to-battery anode piloting for anode materials production from Skaland and Munglinup, which is the final precursor to commercial scale graphitic anode production aimed for 2024.*"

ENDS

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Authorised by the Interim CEO and Company Secretary, Mineral Commodities Ltd

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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 leading 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 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.

In April 2022, the Company released its Five-Year Strategic Plan 2022-2026[4] to delineate and implement its aspiration 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.

[4] Refer ASX Announcement entitled 'MRC Unveils Five Year Strategic Plan 2022-2026' dated 29 April 2022.