

## MRC gives notice to increase interest in Munglinup Project to 90%

Mineral Commodities Ltd ("MRC" or "the Company") (ASX:MRC) today announces that its wholly owned subsidiary MRC Graphite Pty Ltd ("MRCG") has notified Gold Terrace Pty Ltd ("Gold Terrace"), its joint venture partner in the Munglinup Graphite Project ("Munglinup" or the "Munglinup Project"), that MRCG intends to satisfy the remaining "Earn-in Obligations" required to increase MRCG's interest in the Munglinup Project from 51% to 90% on 6 June 2024.

MRCG currently holds a 51% interest in the Munglinup 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 notified Gold Terrace of its intention to undertake the Earn-in Obligations in November 2017 and completed, and provided Gold Terrace with a copy of, a Feasibility Study in November 2019. Gold Terrace acknowledged receipt of a completed Feasibility Study in satisfaction of MRCG's Earn-in Obligation in writing in November 2019.

MRCG has today notified Gold Terrace that it intends 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.

MRC notes that notwithstanding its prior written acknowledgement, Gold Terrace now disputes MRCG's right to increase its interest in the Munglinup 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 holds the right to increase its interest in the Munglinup Project from 51% to 90%. The parties have not been able to resolve this dispute to date.

The payment of A\$800,000 to Gold Terrace on 6 June 2024 is to be funded by an unsecured convertible loan facility provided by major shareholder Au Mining Ltd, which attracts interest at 15% per annum, has a conversion price of 2c per MRC share and is otherwise subject to standard market terms. Conversion of the loan into shares will be subject to shareholder approval. Shareholder approval for the issue of shares to Au Mining Ltd will be sought at the Company's 2024 Annual General Meeting. In the event that shareholder approval is not obtained, the loan facility will be repaid in full in cash.

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

"MRC's interest in Munglinup is an important element of the Company's suite of graphite assets that includes the Munglinup development project in Australia, the Skaland operating graphite mine in Australia and the Active Anode Material Project."

**ENDS** 





Issued by Mineral Commodities Ltd ACN 008 478 653 www.mineralcommodities.com Authorised by the CEO and Company Secretary, Mineral Commodities Ltd.

For further information, please contact:

**INVESTORS & MEDIA** 

**CORPORATE** 

**Scott Lowe** 

**Katherine Garvey** 

CEO

Company Secretary

T +61 8 6373 8900 info@mncom.com.au

T +61 8 6373 8900 info@mncom.com.au

## **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.

