



MRC UNVEILS FIVE YEAR STRATEGIC PLAN 2022-2026

Environment, Social and Governance (ESG)

- 1) MRC to re-brand as a larger diversified, sustainable and responsible critical and industrial minerals producer
- 2) Improve our Social Licence - align to best practice sustainability frameworks
- 3) Align to ASX Corporate Governance Council Principles & Recommendations
- 4) Obtain ISO certification of our operations and best practice health, safety and environmental standards

Battery Minerals

- 1) Position MRC's Battery Minerals Division as a sustainable, vertically integrated graphitic anode supplier in Europe, leveraging off the operating European based Skaland graphite mine
- 2) Skaland returned to profitability, complete expansion study and a Final Investment Decision (FID) for potential expansion beyond current mining right of 16Ktpa¹, targeted for Q2 2023
- 3) Accelerate Munglinup development, with a FID targeted for Q2 2023, intended to significantly increase graphite concentrate production
- 4) Downstream graphitic anode product qualification targeted for Q2 2023. Commercial scale plants targeted to be in operation by 2024
- 5) Increase graphite resources from existing 9.83Mt² through active organic and inorganic resource and reserve growth

Heavy Minerals

- 1) Reposition MRC's Heavy Minerals Division as a larger sustainable, vertically integrated heavy minerals supplier
- 2) Tormin mine improvements in efficiency, flexibility and scale, including the commissioning of the Inland Strands operation, targeted for Q3 2022
- 3) Intention to transition into higher value finished products targeted for 2023
- 4) Increase Tormin mineral resources from existing circa 216.2Mt³ through active organic and inorganic resource and reserve growth, with studies and additional permitting intended to significantly increase production

Corporate

- 1) Consider funding options to further progress MRC's Battery Minerals Division in Europe by prioritising the development of Skaland, a fully permitted operating graphite mine in Europe; development of Munglinup and MRC's associated downstream anode business
- 2) Continue discussions with European, North American and Asian downstream players in the anode market and pursue opportunities with strategic partners
- 3) Consider strategic M&A opportunities

¹ Refer ASX Announcement entitled 'MRC Completes Skaland Graphite Acquisition' dated 7 October 2019.

² Refer ASX Announcement entitled 'Annual Mineral Resources and Ore Reserve Statement' dated 28 February 2022.

³ Refer ASX Announcement entitled 'Annual Mineral Resources and Ore Reserve Statement' dated 28 February 2022.

Mineral Commodities Ltd (ASX: **MRC** or **the Company**) is pleased to present its Five Year Strategic Plan 2022-2026 (**Strategic Plan**). The Company's Board acknowledges the tremendous progress MRC has made to date but sought a clear roadmap outlining the further evolution of the Company.

The Strategic Plan incorporates new vision, values and goals for success. The Company's vision of "enabling a better world through sustainable and responsible production of critical and industrial minerals and products" represents a clear intent for responsible and sustainable mining and industrial practices. This will require strong leadership to drive a cultural shift towards accountability, a deep understanding of the environmental, social and economic impact of the Company's operations on stakeholders and a shift towards collaboration and cooperation. MRC's vision is highly focused on good corporate citizenship while maintaining its focus on long-term sustainable returns for all stakeholders. MRC is committed to strong core values, zero harm, respect, integrity, innovation and inclusion as the foundations for all of its actions.

The Strategic Plan aims to return the Company to solid profitability through maximising profitability from existing assets, while expanding its resources and reserves, and presenting a platform to achieve our vision and first goal of becoming a larger diversified, sustainable and responsible critical and industrial minerals producer. These building blocks are advancing our second goal of making the Company a sustainable, vertically integrated graphitic anode supplier in Europe, whilst achieving our third goal of becoming a larger sustainable, vertically integrated heavy minerals supplier.



Essential to the success of the strategic goals will be:

- Cultural change towards ESG, zero harm and people focus – from Board to operations
- Vertical integration of business units from mine to downstream higher value products
- Take advantage of economies of scale through significant increase in graphite and heavy mineral resources through acceleration of existing projects and organic growth
- Accelerated Munglinup development, subject to permitting, and targeted Skaland expansion
- Graphitic anode offtake qualification, then commercial plant construction and production
- Technology partnerships and acceleration of the technology qualification process
- Effective risk management

Goal 1 - A larger diversified, sustainable and responsible critical and industrial minerals producer

Repositioning the Company as a larger diversified, sustainable and responsible critical and industrial minerals producer, lowers investment risk and is intended to attract a larger potential investor target market.

The Company will be rebranded to align with its strong ESG focus, having empathy for its impact on communities, achieving best practice compliance with sustainability frameworks and good corporate citizenship. This focus supports the European battery storage and EV market expectation requiring a low carbon footprint through the entire supply chain.

Throughout the Company's portfolio MRC will seek vertical integration, from mining and associated processing to value-added downstream products. This involves transitioning its heavy minerals and graphite businesses from concentrates production to downstream finished products (heavy minerals finished products and graphitic anodes). The Company will have a secondary focus to look for growth by diversifying into other critical and industrial minerals and technologies.

The Company is investigating the possibility of dual listing in Europe, which will support the Company's second goal to become a sustainable, vertically integrated graphitic anode supplier in Europe and an enabler of the decarbonisation transition. The Board and Executive management may be augmented to support the transition.

Goal 2 - Battery Minerals – A sustainable, vertically integrated graphitic anode supplier in Europe

Europe is seeing unprecedented increases in planned Li-ion battery production capacity, driving the demand for increased graphitic anode manufacturing capacity within Europe. The Company is well positioned to take advantage of the green transition and to responsibly contribute to global demand for battery minerals. The Company will combine its world class graphite assets in Europe and Australia to achieve economies of scale.

MRC's Skaland graphite operation was acquired in October 2019 as the highest grade flake graphite operation in the world and largest producing mine in Europe at the time⁴. The near-term value catalysts of Skaland are maximising value through improved efficiency, process flexibility and providing a stable platform for future expansion. Skaland is strategically positioned in Europe, currently permitted to produce 16ktpa with drilling, studies and permitting commencing later in 2022 to allow a significant increase in production. Mo I Rana in Norway has been identified as a strategic location for MRC's active anode material production plant (AAMP) to support the European market, with Kwinana and Esperance identified as potential Australian AAMP sites.

The acceleration of the Munmlinup development, with a Final Investment Decision targeted for Q2 2023, is intended to significantly increase graphite concentrate production. The combination of anode materials production from Munmlinup and Skaland provides the potential to be able to supply significant volumes to meet the needs of the European market.

Business development will focus on organic and inorganic growth of the Company's graphite resources. Work will continue with a view to seeking to upgrade reserves at Skaland and Munmlinup. The Company will look to undertake further work on potential targets for increased resources at Skaland at depth and Munmlinup along strike⁵, as identified by the recently conducted electromagnetic surveys. The Company believes further exploration upside potential exists through the recent positive surface sampling and mapping results, as well as magnetic and electromagnetic interpretations from the highly prospective Bukken, Hesten and Vardfjellet prospects near Skaland⁶. Management is also actively exploring strategic acquisitions to increase the resource base available to supply European battery customers.

MRC is exploring alternative downstream Anode Purification Technology routes through ongoing discussions with several potential technology partners.

⁴ Refer ASX Announcement entitled 'MRC Completes Skaland Graphite Acquisition' dated 7 October 2019.

⁵ Refer ASX Announcement entitled 'Munmlinup Electromagnetic Survey Indicates Excellent Targets' dated 7 April 2022.

⁶ Refer ASX Announcement entitled 'Priority Targets Identified at Bukken, Hesten and Vardfjellet Graphite Prospects Near Skaland' dated 26 April 2022.

The Company's active anode material process is progressing well with the CSIRO project completed at the end of March 2022. Following the scale-up of the process to pilot plant, enabled by the recently successful Critical Minerals Acceleration Initiative⁷ grant, the Company's goal is to achieve commercial scale production by 2024 taking into account learnings from the pilot plant phase. MRC considers its anode material will be environmentally sustainable with a low carbon footprint.

The Company has a well-developed execution strategy to advance the development and qualification of its anode products by Q2 2023, attract quality industry partners, strengthen its OEM customer base, and solidify its plans for commercialisation and long-term sustainable growth. This work builds on the excellent electrochemical results announced in December 2021⁸.

Funding options are being explored to further progress MRC's Battery Minerals Division in Europe by prioritising the development of Skaland, a fully permitted operating graphite mine in Europe; development of Munmlinup and MRC's associated downstream anode business.

Goal 3 - Heavy Minerals – Larger sustainable, vertically integrated heavy minerals supplier

The Tormin renewed development strategy aims to provide a solid cashflow base. MRC will support the downstream transition of its heavy minerals operation into a vertically integrated finished mineral products operation.

The strategy is premised on three essential aspects; maximising value from existing operations, increasing resource and reserves and diversifying the heavy minerals footprint beyond Tormin.

Maximising value from existing operations is intended to see MRC: (a) improve the efficiency, flexibility, and scale of the Inland Strands operation; (b) sustainably mine the two placer beach deposits; (c) reduce costs to lowest quartile against comparable operations; and (d) maximise final product value through transitioning from mixed concentrates to finished garnet and ilmenite mineral products.

The Company believes there is significant production upside potential from identifying, expanding, and upgrading resources for the Western and Eastern Strandlines. The Company also sees potential to unlock resources from the current De Punt and Klipvley Karoo Inland Strands prospecting applications. Resource and reserve growth may be further supported by an active diversification strategy through global acquisitions.

⁷ Refer ASX Announcement entitled 'Successful \$3.94M Critical Minerals Grant Application' dated 19 April 2022.

⁸ Refer ASX Announcement entitled 'Successful Electrochemical Results on Skaland Anode Material' dated 15 December 2021.

Managing Director and CEO Jacob Deysel, commented: “*We have a “Licence to be Extraordinary” and the Strategic Plan focuses on returning the Company to solid profitability while expanding resources and reserves. The strategy aims to see the Company become a vertically integrated graphitic anode supplier in Europe and a larger diversified, vertically integrated heavy minerals producer. I am looking forward to working with the team over the coming years to deliver on the Company’s full potential.*”

ENDS

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About Mineral Commodities Ltd:

Mineral Commodities Ltd (ASX: MRC) is a global mining and development company with a primary focus on the development of high-grade mineral deposits within the critical and industrial minerals sectors.

The Company is a leading producer of zircon, rutile, garnet, and ilmenite concentrates through its Tormin Heavy Minerals Operation, located on the Western Cape of South Africa.

In October 2019, the Company completed the acquisition of Skaland Graphite AS, the owner of the world’s highest-grade operating flake graphite mine and a significant 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 what the Company anticipates will be fast-growing demand for sustainably manufactured Lithium-Ion Batteries.

Cautionary Statement

This report 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 report apply only at the date of issue and 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 report 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 report.