



Highlights

- **Tormin - Renewal of existing mining rights secures core operations for a further 10 years.**
- **Skaland - Acquisition of the world's highest grade flake graphite operation, Norwegian graphite producer, Skaland Graphite AS, completed on the 4 October 2019.**¹
- **MRC leads successful CRC-P grant application to develop commercial-scale process for producing high purity graphite (> 99.95%).**
- **MRC and University of Adelaide successfully develop proprietary method to produce graphene and related products.**
- **Strong operating cash flow performance during the quarter, with cash on hand increasing from US\$15.8m to US\$18.8m.**
- **Interim dividend declared for \$A0.006 per share, paid 14 October 2019.**

(1) – ASX release MRC Completes Skaland Graphite Acquisition and Addendum to Skaland Acquisition Announcement – 7/10/2019.

Corporate and Cash

Cash: Cash as at 30 September 2019 of US\$18.8m, plus US\$9.0m in trade and other receivables.

Debt: Borrowings as at 30 September 2019 of US\$3.6m.

Securities: 421.2 million shares and 4.95 million performance rights as at 30 September 2019.

Mineral Commodities Ltd ("MRC" or "the Company") is pleased to report the Company's activities during the quarter ended September 2019.

MRC was issued two core Mining Right Renewals (WC 30/1/2/2/10107MR and WC 30/1/2/2/10108MR) on a portion of beach immediately adjacent to the farm Geelwal Karoo 262, in the Western Cape Province of South Africa. The Mining Right Renewals allow the Company to continue existing mining operations at Tormin for a further 10 years (see figure 1). Mining operations at Tormin were permitted to continue whilst the renewal application was processed.

During the quarter, the appeal proceedings relating to the granted Environmental Authorisation of the Section 102 Expanded Mining Right application progressed. The granting of the Section 102 Expanded Mining Right will enable the Company to expand mining operations to the inland strand areas, directly behind the current mining operations and extend to the Northern Beaches, directly to the north of the current mining operations (see figure 1).



Figure 1 – Tormin tenement overview

The Company has adopted a phased approach to the expanded Mining Right project development. This includes an initial increase in concentrate production from the Northern Beaches and Inland Strand mining areas. The initial phase 1 includes the relocation of one of the existing Primary Beach Concentrator ("PBC") units to the Northern Beaches with the remaining concentrator unit being used to treat the inland strand material. Phase 2 will include a new Primary Concentrator circuit which will have capacity to treat up to 3 million tonnes per annum. Phase 3 will see the construction of a 400,000-450,000 tonne Mineral Separation Plant to produce finished ilmenite and garnet products.

During the quarter the Company continued to work towards completion of the acquisition of Skaland Graphite AS ("Skaland") under the Share Purchase Agreement ("SPA"). As reported, the final conditions precedent under the SPA were satisfied post the quarter reporting period and the acquisition was completed on 4 October 2019.

The Company continued to advance study work on the Munglilup Graphite Project Definitive Feasibility Study ("DFS"), with completion expected in the December 2019 quarter.

TORMIN OPERATIONS

As previously reported the Company has reduced mining and processing production to a targeted 2 million tonnes per annum ("MTPA") mining rate whilst awaiting the Section 102 Expanded Mining Right to be granted. During the quarter, the Company slightly exceeded the targeted mining rate with mining operations conducted at equivalent of 2.1 MTPA and processing at 2.2 MTPA, producing 59,544 tonnes of final concentrate.

GSP/SCP Production & Processing	Quarter ended 30-Sep-19	Quarter ended 30-Jun-19	Quarter ended 30-Sep-18	Year to Date 30-Sep-19	Year to Date 30-Sep-18
Tonnes processed (gross dmt)	139,005	143,041	199,119	462,675	682,785
Tonnes produced (dmt)					
- Garnet concentrate (net)	47,196	39,105	75,621	142,423	205,630
- Ilmenite concentrate (net)	10,631	12,555	22,435	39,887	89,998
- Zircon/Rutile concentrate	1,717	2,317	3,366	7,185	13,180
- zircon in concentrate	65.39%	67.09%	67.59%	67.07%	68.15%
- rutile in concentrate	15.19%	15.53%	17.09%	15.64%	17.64%

Finished concentrate production was aligned with expected lower mined ore grades and rescheduled Garnet Stripping Plant / Secondary Concentration Plant ("GSP/ SCP") feed of 82 tonnes per hour. Total final concentrates produced were 59,544 tonnes for the quarter, which was above the prior quarter's 53,977 tonnes, due to improved mined garnet grades from winter storm surges.

Sales (wmt)	30-Sep-19 Quarter	30-Jun-19 Quarter	30-Sep-18 Quarter	Year to Date 30-Sep-19	Year to Date 30-Sep-18
- Garnet concentrate	53,288	53,288	53,288	159,863	159,993
- Ilmenite concentrate	53,921	54,775	51,750	162,306	106,750
- Zircon/Rutile concentrate	1,876	3,304	4,116	7,952	14,776

Sales revenue for the quarter was US\$15.8 million for a total 109,245 wet metric tonnes sold, above the prior quarter's revenue of US\$15.5 million for 111,587 wet metric tonnes sold.

The increase in quarterly revenue was due to the transport revenue obtained from the 49.0Kt August garnet sale to GMA, partially offset by 1.4Kt lower non-mags sales during the quarter. The decrease in non-magnetic concentrate sales during the current quarter reflects lower production and deferment of two shipments into the next quarter.

Mining	30-Sep-19 Quarter	30-Jun-19 Quarter	30-Sep-18 Quarter	Year to Date 30-Sep-19	Year to Date 30-Sep-18
Tonnes (dmt)	527,405	601,827	664,588	1,871,820	1,870,890
Grade	10.88%	9.43%	16.89%	11.38%	17.02%
- Garnet	7.84%	6.24%	12.68%	7.49%	12.68%
- Ilmenite	1.61%	1.43%	2.91%	1.71%	3.01%
- Zircon	0.37%	0.37%	0.53%	0.39%	0.56%
- Rutile	0.19%	0.23%	0.39%	0.23%	0.39%
- Leucoxene	0.87%	1.16%	0.38%	1.56%	0.38%

Run of Mine ("ROM") volumes have been adjusted to a mining rate of circa 2 MTPA and have been scheduled to align with PBCs' targeted throughput. Mining production has been achieved on an average 5.5 days per week working roster implemented in the previous quarter.

During the September quarter the onset of winter storm surges and sourcing of additional ore from blocks with additional replenishment time has lifted grades towards the inferred resource grade of 14.1% Total Heavy Mineral.

ROM feed to the Primary Beach Concentrators ("PBCs") for the quarter was 545,483 tonnes at an average feed rate of 325tphr at 76.1% plant utilisation, with the throughput aligned with management expectations.

Heavy mineral concentrate production from the PBCs produced 135,646 tonnes, compared to the prior quarter's 137,368 tonnes. Mineral processing recoveries from the PBCs remained strong, with the plants recovering 92% zircon, 87% ilmenite, 88% garnet and 76% rutile.

Summary of Unit Costs & Revenues	Sep-19 Quarter	Jun-19 Quarter	Sep-18 Quarter	Sep-19 Year to Date	Sep-18 Year to Date
Unit production cash costs per tonne of net final concentrate produced (US\$/dmt)	74.02	100.69	53.98	80.70	57.42
Unit cost of goods sold per tonne of final concentrate sold (US\$/wmt) ⁽¹⁾	109.45	93.13	105.68	96.60	114.99
Unit revenue per tonne of final concentrate sold (US\$/wmt)	138.78	135.05	153.86	135.39	155.67
Revenue to Cost of Goods Sold Ratio	1.27	1.45	1.46	1.40	1.35

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.

Unit production cash costs have improved significantly during the quarter as a result of cost reduction strategies implemented in the previous quarter, with production cost of US\$74.02/t of net final concentrate produced significantly lower than the prior period's US\$100.69/t. As part of the cost reduction strategy during the period production and mining costs were reduced as a result of voluntary redundancies and transitioning to 5.5 day per week operations.

Total unit cost of goods sold for the quarter was higher than the previous quarter (US\$109.45/t v US\$93.13/t) due to road and port costs associated with to an additional 49,100 wmt garnet shipment (no garnet shipment in previous quarter) and other inventory adjustments.

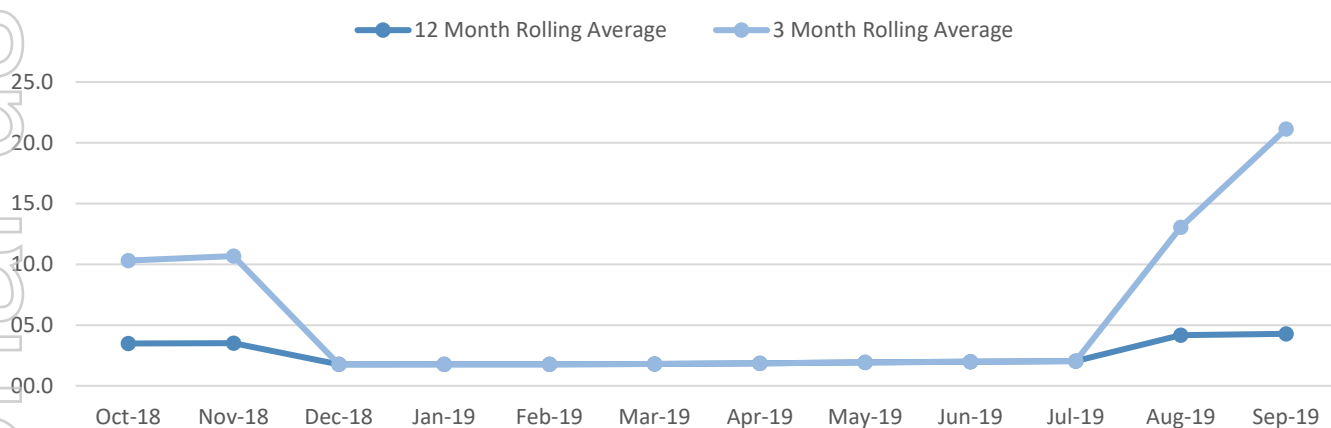
Unit revenue per tonne of final concentrate sold for the quarter compares with the prior quarter.

Revenue to Cost of Goods Sold Ratio for the quarter of 1.27 is below the prior quarter's 1.45 due to the higher total costs of goods sold in the quarter.

SAFETY, ENVIRONMENT AND COMMUNITY

Since commencement of operations in late 2013, the Company has incurred only one Lost Time Injury, in April 2017. The Total Recordable Injury Frequency Rate ("TRIFR") 12 month rolling average was affected by two medically treated cases ("MTC") during the quarter, increasing from 1.99 at June 2019 to 4.28 injuries per 1,000,000 man hours. These are the first MTC to be recorded in 10 months.

TRIFR RATE PER 1,000,000 MAN HOURS



With the acquisition of Skaland, the Company has commissioned a first principal audit to better understand the status of the current Occupational Health & Safety ("OH&S") systems and compliance there with a view to standardising the appropriate operating management systems across the Group. Whilst the Company has maintained a solid safety performance, the importance of operating within a structured management system can only further enhance the Company's ongoing OH&S compliance.

The Company continues to implement its Social Labour Plan ("SLP") commitments, highlighted this quarter with the completion of the Nuwerus High School Hostels renovation project.

PERMITTING

Positive progress has been made during the quarter with the Company's permitting.

MRC's mining rights (10107MR and 10108MR) were renewed at the Tormin Mineral Sands Operation to allow the continuation of its existing mining operations for an additional 10 years. The renewal of our existing Tormin mining rights is a significant milestone that gives the Company security of tenure and is the cornerstone of the Company's expanded mining right strategy which, in conjunction with the recently granted Section 102 Expanded Mining Right Environmental Authorisation (currently subject to appeal), enables MRC to increase production and pursue our goal of sustaining long-term mining operations and downstream processing at Tormin. This will

enable MRC to continue to deliver economic benefits to our South African partners, the local community and our shareholders.

Whilst the Company has a number of prospecting right applications in various stages of assessment and appeal, these prospecting rights applications are not core to, and will not affect, the current Tormin Operation or the planned expansion pursuant to the Section 102 Expanded Mining Right Application.

BUSINESS DEVELOPMENT

Munglinup Graphite Project

Mondium, Battery Limits and MRC will complete the DFS in the December quarter. The DFS will incorporate the benefits of the significant value engineering work undertaken by Mondium, which has reduced the capital cost of the project. The process flow design, plant design, capital and operating costs have all been settled and chapter writing is nearing completion. The mine plan has been revised to further optimise the economics of the project. Ore testwork to support the DFS has been completed.

MRC has clarified additional studies required to meet the Environmental Protection Authority's ("EPA") enquiries, as communicated to MRC on 11 July 2019. As noted in the June quarterly report, the federal Department of Environment and Energy has confirmed that its assessment will be undertaken through an accredited process by the state-based EPA. MRC has worked with the EPA and the Department of Water and Environmental Regulation to clarify these studies. The studies cover:

- Level 2 terrestrial fauna
- Level 2 SRE (short range endemic fauna) assessment
- Additional hydrology and hydrogeological assessment (including groundwater studies)
- Supplementary flora assessment
- Additional dieback assessment
- Ecological linkage assessment

A work program has been initiated and studies have commenced.

In September 2019, MRC completed initial flora studies (including for rare orchids) and have also set up camera traps for fauna studies. The studies and final submission to the EPA are forecast to be completed in the second quarter of 2020.

A Regional Coordination Group ("RCG") has been established among four separate minerals projects that impact the Ravensthorpe Esperance Region. These projects are:

- Ravensthorpe Nickel Project, First Quantum Minerals
- Munglinup Graphite Project, MRC Graphite Pty Ltd
- Ravensthorpe Gold Project, ACH Minerals
- Mt Cattlin, Galaxy Resources

The RCG has commissioned independent consultants to undertake a local socio-economic impact assessment of the four projects, to then develop an action plan that will guide the initial activities of the RCG. MRC has actively

participated with the RGC study and an initial report is expected in December quarter 2019.

MRC continues to work closely with the Esperance Tjaltjraak Native Title Aboriginal Corporation to progress opportunities for mutual benefit in heritage, cultural awareness, training and job creation.

As highlighted in the June quarterly report, MRC is considering an integrated development approach for Munglinup whereby concentrate production from Munglinup is further refined to a higher quality and more value-added product at a purification facility.

Skaland Graphite AS Acquisition

Subsequent to the end of the quarter, on 7 October 2019, the Company announced it had completed the purchase of Skaland Graphite AS, for the total consideration of US\$8.7 million, comprising an initial cash consideration at settlement of US\$4.5 million, and a further US\$4.2 million to be paid over five years.

Skaland operates the Trælen Graphite Mine and Skaland Processing Facility in Norway, which is the largest flake graphite producer in Europe and the highest grade flake graphite mine in the world, with mill feed grade averaging around 28% carbon. Skaland currently averages around 10,000 tonnes of graphite concentrate production per annum and accounts for around 2% of global natural flake graphite production. The Skaland Graphite Operation is considered to have significant potential to expand the current production profile. As part of the conditions precedent to the purchase, the Company was granted an operational permit for a period of 10 years and discharge permit that enables MRC to increase production from 11,000 to 16,000 tonnes per annum.

MRC Graphite (Norway) Pty Ltd, a wholly owned subsidiary of the Company, acted as the sole contractual buyer of 100% of the issued capital of Skaland noting that a 10% interest is to be transferred to the facilitator of the transaction, BSG Mining LLC, an unrelated party to the Company.

The acquisition of Skaland has fast tracked MRC to be the largest graphite miner in Europe. Skaland offers excellent geostrategic positioning to capitalise on the fastest growing electric vehicle market globally. The Company has already evaluated several opportunities to optimise the current operation that will improve the concentrate quality before increasing production. It will move to implement these initiatives and thereafter increase production. The Company is progressing downstream processing, value adding initiatives and is intending to move to producing Battery Anode Material in the near term. Norway is at the forefront of electric vehicle adoption and with world class infrastructure, provides an excellent environment to build a vertically integrated carbon supply business.

As part of its preparation works for completion of the Skaland acquisition the Company undertook additional small-scale (benchtop) milling and flotation testwork on the fine (minus 150 micron) low-grade (~87% TGC) Skaland concentrate. This work showed that it is possible to upgrade the concentrate to ~96.5% TGC at 98% recovery. The benchtop tests were followed by pilot-scale tests to provide data for equipment sizing and cost estimation. The results from pilot-scale optimisation tests showed the potential to upgrade the fines concentrate to an industry-leading 98%-99% TGC. Additional tests and analysis on the production of the very high grade fines concentrate are underway with the objective of understanding the residual impurities and ordering long-lead items in the next quarter. The pilot scale tests will also provide a very high grade flotation concentrate for downstream studies on Skaland material.

Near the end of the quarter the Company also undertook tests on ROM ore from Skaland to evaluate the potential to increase the recovery of coarse flake to the Skaland concentrate. Results from this project are expected early next quarter.

Downstream Graphite Projects

The Company was notified by the Commonwealth Government that it was successful in its CRC-P Round 7 funding for the development of an environmentally friendly purification process for graphite in collaboration with its partners CSIRO and Doral Fused Materials. The project has a total budget of \$2.61 million, with 31% contributed by the Commonwealth Government's CRC-P program. It targets the development of an industrially implementable hydrometallurgical process that is environmentally sustainable. The program includes production of concentrate for use in the testwork program, evaluation of the performance of different reagents in removing impurities from the graphite, both individually and in series with other reagents, optimisation of reaction conditions and evaluation at PFS and DFS levels. Initial testwork has commenced.

In parallel, the Company has commenced evaluation of the electrochemical performance of coin-cells using micronised purified graphite produced from the initial (pre-CRC-P) purification of Munglinup concentrate. This work will be extended to include spherical graphite and coated spherical graphite to provide baseline performance data on the use of Munglinup graphite in Lithium-Ion Batteries as well as provide samples for customers' evaluation. Following the Skaland acquisition, it will be further extended to include purified concentrate from Skaland.

Downstream activities on Skaland concentrate generally falls outside the CRC-P program, aside from some initial characterisation and leaching testwork. Purification testwork for Skaland will be managed separately from a costs perspective but knowledge will be shared between the two projects. As an operating mine Skaland has the ability to generate significant quantities of samples for downstream studies, supporting scale-up testwork for downstream activities to fast-track downstream value-adding opportunities.

Australian Exploration

Lithium/Tantalum: Paynes Find

Based on positive results (two out of ten rock chips anomalous for lithium and tantalum (samples S1-S9B in figure 2) from the previous quarter, additional site visits and field chip sampling (ten new samples, Samples PS01-PS10 in figure 2) of the pegmatites were undertaken on the Paynes Find, Mt Edon tenement. Two of the six main pegmatites (1.2km and 1.2km long along strike) were found to host fractioned pods of lithium, cesium and tantalum ("LCT") minerals. The visible lithium mineralisation consist of lepidolite zinnawaldite minerals and not spodumene. Four of the ten new rock chip samples were found to be anomalous for lithium, caesium and tantalum.

The cesium (pollucite) grades of the fractioned zones sampled were between 1075ppm and 5780ppm and therefore highly anomalous. Further work to investigate the cesium potential of the resource is planned.

The tantalum grades of the fractioned zone returned grades of 146ppm to 519ppm with a direct correlation with LCT grades.

The caesium-tantalum potential of the field has therefore been confirmed but due to the perceived pod like zonal nature of the LCT mineralisation, further geological mapping is recommended before any exploration drilling is undertaken. The results from the 20 rock chip samples, although some being anomalous, does not yet indicate the project to be material for the Company.

The elluvial tantalum potential of the field and more specifically the elluvial (scree rubble and material on slopes close to pegmatite outcrop) and alluvial (material found in drainage/valley channels) potential warrant further work and an exploration programme to investigate this is being planned. Shallow exploration pits in and along the drainage lines and valleys will be excavated to confirm and extend the historical (non-JORC compliant) resource of 70,600t @ 190ppm Ta₂O₅ (Calderwood, 1979).

A Program of Works application for the planned tantalum field exploration work (Figure 2) was compiled and submitted to the DMIRS on 11 September 2019.



CORPORATE

During the quarter the Company released our half-year financial report. Earnings before interest, tax, depreciation and amortisation ("EBITDA") of \$10.9 million for the 2019 half-year was above the 2018 half-year EBITDA of \$4.8 million, a 125% increase on the prior half year. Net profit before income tax ("NPBT") was \$8.5 million for the 2019 half-year, a 269% increase on the 2018 half year NPBT result of \$2.3 million. These significantly improved EBITDA and NPBT results, in comparison to the prior half-year, reflect increased product revenue, lower production cash costs, foreign exchange gains and lower corporate administration costs for the 2019 half-year. The financial results of the Company this half-year are a testament to the continuing operational performance at Tormin, which during the half-year continued to deliver substantial economic returns.

As released with our 30 June 2019 half-year results the Directors declared an interim partially franked dividend in respect of the financial year ending 31 December 2019 for A\$0.006 per share. This dividend declaration was again underpinned by a solid operating performance for the half-year. The dividend was paid on 14 October 2019.

On 28 August 2019, a General Meeting was held whereby shareholders re-elected incumbent Directors Mr Peter Torre and Mr Joseph Caruso. Ms Debbie Ntombela, Mr Russell Tipper and Mr David Baker were elected to the Board as independent Non-executive Directors. The meeting was significantly supported by shareholders with nearly 90% of the total shares on issue voted on specific resolutions. The results of the meeting and the election of the new board members delivered a strong endorsement by shareholders of the Company's business development strategy and strengthened the independence and diversification of the board.

Cash and Debt

At 30 September 2019, the Company had US\$18.8 million in cash on hand, an increase from the 30 June 2019 cash balance of US\$15.8 million. The Tormin Operation continued to generate positive cash flows in the September 2019 quarter, achieved by inventory sales and strong operating performance.

Trade and other receivables at 30 September 2019 increased to US\$9.0 million, from US\$8.6 million for the prior quarter. Borrowings as at 30 September 2019 are US\$3.6 million, down from US\$4.9 million in the previous quarter.

Outlook

Tormin's zircon/rutile concentrate continues to attract premium pricing with high levels of demand expected to continue, with the overall zircon market stabilising after a period of strong growth.

This forward looking guidance for production excludes the potential significant upside expected from mining the Section 102 expansion area.

Final Concentrate Production	September 2019 FY2019 Production Guidance Range	June 2019 FY2019 Production Guidance Range
Zircon/Rutile Concentrate (dmt)	8,500 - 10,500	9,000 – 12,000
Ilmenite Concentrate (dmt)	50,000 – 60,000	50,000 – 70,000
Garnet Concentrate (dmt)	160,000 - 190,000	140,000 – 170,000

Due to existing ilmenite concentrate inventory and significantly improved customer demand for ilmenite concentrate, annualised sales/shipment guidance for 2019 has been amended.

Final Concentrate Sales	September 2019 FY2019 Sales Guidance Range	June 2019 FY2019 Sales Guidance Range
Zircon/Rutile Concentrate (dmt)	9,000 - 11,000	9,000 – 12,000
Ilmenite Concentrate (dmt)	160,000 - 190,000	140,000 – 170,000
Garnet Concentrate (dmt)	200,000 – 220,000	200,000 – 220,000

Guidance on zircon/ rutile concentrate has been slightly reduced to reflect slightly declining grades against prior forecast.

The Company is hopeful a final decision on the Environmental Authorisation Appeals permitting approvals for the Tormin Section 102 Expanded Mining Right areas will allow the Company to access the higher grade Inland Strand and Northern Beach mining areas, enabling an increase in production of final concentrates.

The Company will now move to integrate the Skaland Graphite Operation. The approach will involve optimisation of the current plant performance and thereafter increase production. The Company is progressing downstream processing value adding initiatives and is intending to move towards producing Battery Anode Material in the near term. Norway is at the forefront of electric vehicle adoption and with world class infrastructure provides an excellent environment to build a vertically integrated carbon supply business. Combined with the Mungrinup Graphite Project the Company is well positioned to move to a Tier 1 jurisdiction supply of quality graphite concentrates and downstream battery anode and specialised graphite finished products.

Securities on Issue

Issued securities at the date of this report comprise:

- 421,191,571 fully paid ordinary shares listed on the ASX.
- 200,000 Performance Rights exercisable on or before 31 May 2021, vesting at a rate of 150,000 per annum on 31 May 2019 to 2020 inclusive, and the closing share price reaching A\$0.20 and remaining at or above A\$0.20 for a period of five consecutive trading days.
- 500,000 vested Performance Rights exercisable on or before 31 May 2020.
- 1,000,000 Performance Rights exercisable on or before 1 October 2021, vesting on the 30 day Volume Weighted Average Price of the Company's Shares trading on the ASX being A\$0.20 post issue, and 333,333 vested on 1 October 2018, 333,333 vesting on 1 October 2019 and 333,334 vesting on 1 October 2020.
- 1,000,000 Performance Rights exercisable on or before 31 May 2021, vesting on the closing share price reaching A\$0.20 and remaining at or above A\$0.20 for a period of 5 consecutive days, 500,000 vesting on 25 June 2019 and 500,000 vesting on 25 June 2020, vesting upon satisfaction of performance criteria based on Key Result Areas and Key Performance Indicators applicable.
- 1,000,000 Performance Rights exercisable on or before 30 September 2021, vesting on the closing share price reaching A\$0.20 and remaining at or above A\$0.20 for a period of 5 consecutive days, 500,000 vesting on 11 October 2019 and 500,000 vesting on 11 October 2020, vesting upon satisfaction of performance criteria based on Key Result Areas and Key Performance Indicators applicable.
- 1,000,000 Performance Rights exercisable on or before 14 May 2022, vesting on the closing share price reaching A\$0.26 and remaining at or above A\$0.26 for a period of 30 consecutive days, 500,000 vesting on 14 May 2020 and 500,000 vesting on 14 May 2021, vesting upon satisfaction of performance criteria based on Key Result Areas and Key Performance Indicators applicable.
- 100,000 Performance Rights exercisable on or before 28 February 2023, vesting on the 30 day Volume Weighted Average Price of the Company's Shares trading on the ASX being A\$0.26 post issue, and 33,333 vested on 28 February 2020, 33,333 vesting on 28 February 2021 and 33,334 vesting on 28 February 2022.
- 150,000 Performance Rights exercisable on or before 28 February 2023, vesting on the 30 day Volume Weighted Average Price of the Company's Shares trading on the ASX being A\$0.26 post issue, and 50,000 vested on 28 February 2020, 50,000 vesting on 28 February 2021 and 50,000 vesting on 28 February 2022.

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COMPETENT PERSONS STATEMENT

The information, if any, in this statement which relates to Exploration Results, Mineral Resources or Ore Reserves for Tormin is based on information compiled by Dr Joseph A.P. Drake-Brockman, who is a Member of the AusIMM and is an independent consultant to the Company. Dr Drake-Brockman is an employee of Drake-Brockman Geoinfo Pty Ltd and has over 36 years of exploration and mining experience in a variety of mineral deposits and styles. Dr Drake-Brockman has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012). The information from Dr Drake-Brockman was prepared under the JORC Code (2012). Dr Drake-Brockman consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information, if any, in this statement which relates to Mineral Resources for Munglinup is based on information compiled by Mr Chris De Vitry who is a member of the AusIMM and an independent consultant to the Company. Mr De Vitry is the Director and Principal Geologist of Manna Hill GeoConsulting Pty Ltd. Mr De Vitry has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined by the JORC Code (2012). Mr De Vitry consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information, if any, in this statement which relates to the Ore Reserve for Munglinup is based on information compiled by Mr Daniel Hastings, who is a Member of the AusIMM. Mr Hastings is an employee of Hastings Bell Pty Ltd and a consultant to the Company. Mr Hastings has sufficient experience relevant to the type of deposit under consideration to qualify as a Competent Person as defined by the JORC Code (2012). Mr Hastings consents to the inclusion in the report of the matters based on the reviewed information in the form and context in which it appears.

The information, if any, in this statement that relates to metallurgy, the process plant and infrastructure design for Munglinup is based on information compiled and reviewed by Mr David Pass, who is a Member of the AusIMM. Mr Pass is an employee of Battery Limits Pty Ltd. Mr Pass has sufficient experience relevant to process plant and infrastructure design thereof to qualify as a Competent Person as defined by the JORC Code (2012). Mr Pass consents to the inclusion in the report of the matters based on the reviewed information in the form and context in which it appears.

The supporting information relating to the Skaland foreign estimate has not materially changed since the initial market announcement (4 April 2019 – MRC Acquires World's Highest Grade Flake Graphite Operation). Foreign estimates are not reported in accordance with the JORC code and a competent person has not done sufficient work to classify the foreign estimates as mineral resources or ore reserves in accordance with the JORC code. It is uncertain that following further work that the foreign estimates will be able to be reported as mineral resources or ore reserves in accordance with the JORC code.