

MINERAL COMMODITIES UNLOCKING SUSTAINABLE VALUE





AUSTRALIA-BASED MINERAL COMMODITIES IS SET TO EXPAND ITS ASSETS IN SOUTH AFRICA AND NORWAY, PURSUING ITS AGGRESSIVE GROWTH STRATEGY.

UNLOCKING SUSTAINABLE VALUE

PROJECT MANAGED BY: TREVOR GRETSINGER

Mineral Commodities (MRC) is a global mining and development company focused on developing high-grade mineral deposits in the industrial and battery minerals sectors. The company is a leading producer of mineral sands from its Tormin Operation in South Africa and, with the acquisition of Skaland Graphite AS in northern Norway, operates the world’s highest-grade flake graphite mine.

In addition to these two key production assets, MRC is also developing the Munglinup Graphite Project, located in Western Australia. Munglinup is also where MRC started researching cutting-edge ‘non-hydrofluoric’ processes in collaboration with

the Australian government’s CSIRO to purify graphite to battery-grade material. As part of its graphite strategy, MRC is investing downstream, targeting the production of low-CO2 emission natural battery anode material from firstly the Skaland natural flake

concentrates and then from Munglinup. Utilising Norway’s low-cost renewable energy, MRC plans to construct a dedicated anode materials plant in Norway that will capitalise on the fast-growing demand for sustainably manufactured Lithium-Ion Batteries (“LIB”) in Europe. The diversification strategy involves ongoing and expanding mineral sands operations in South Africa in the near term to provide a stable financial platform to develop the European natural graphite anode businesses in the medium term. >>



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Peter Fox, Investor Relations and Corporate Development Manager said: "We offer investors exposure to two different commodities, both with compelling growth fundamentals. Our value proposition dovetails the post-pandemic rotation towards industrial growth with the enduring theme of electrification and global de-carbonisation. We plan to increase mineral sands production at a time of emerging structural deficits. At the same time, we will develop a clean emission anode manufacturing business in Europe as it becomes the fastest-growing market for LIB production globally."



EXPANSION MODE

MRC is a leading producer of zircon, rutile, garnet and ilmenite concentrates from the Tormin Mineral Sands Operation, located on the Western Cape of South Africa, some 360 km from Cape Town. Tormin's high-grade placer beach deposits are unique due to the rate that mining areas are naturally refurbished and the speed that the mineralisation actively replenishes.

In 2020, the company was granted an amended licence to expand the mining operations to include an area to the north and directly alongside the existing mining activities. The amended licence also provided for expanded processing activities, including the construction of additional crushing and classifying capacity and the construction of a mineral separation plant, which will also increase the product suite's value. The phased expansion activities are currently underway, with production set to increase as early as this year.

In 2019, on the other side of the globe, above the arctic circle, MRC completed the Skaland Graphite acquisition in Norway. The acquisition accelerated the company's graphite strategy into production, making it the only natural flake graphite producer in Europe. MRC has already starting optimising the process at Skaland and is investing heavily in low-emission, environmentally-friendly downstream processes at Skaland to become the first European producer of sustainably produced natural anode material.

"Skaland is the largest natural flake graphite producer in Europe and the fourth-largest producer globally outside of China, accounting for around 2% of global annual natural flake graphite production. Skaland is presently the world's highest-grade operating flake graphite mine," said Peter Fox.

Skaland Graphite AS is geo-strategically well placed to become the world's first vertically integrated, low emission producer of battery anode material, producing sustainable, natural anode material for LIB in a country that is the swiftest adopter of electrification globally and right next to the fastest-growing market in the world.



Peter Fox said: "Factors such as vertically integrated production, access to Norway's low-cost renewable energy, proximity to market (localisation), coupled with existing environmentally friendly, non-hydrofluoric purification processes mean that MRC's anode material will have a competitive cost of production and a low carbon footprint. All are increasingly important points of difference when assessing the future demand for our anode material."

MRC recently secured three additional graphite prospects located within 20 km of its existing Skaland Graphite Operation. The company intends to commence an exploration programme in June 2021 and hopes to discover future graphite deposits to sustain or further expand production at Skaland.

SUSTAINABLE OPERATION

While investing in expansion and development, MRC is also committed to undertaking operations in a socially and environmentally responsible manner, consistent with industry best practice. Safety and well-being are core to the operational culture.

"We are committed to safe and sustainable business practices that bring value to our employees, customers and shareholders and result in a social dividend to our local communities. MRC makes a substantial investment in our local communities via our various social labour programmes which are intended to provide practical and collaborative support for the people most affected by the operations of the company," said Peter Fox.

"In South Africa, we have affirmative dedicated local community liaison and

engagement process; through our Social Labour Plan (SLP) commitments, we invest in local bursaries, schools and also train our workforce, to enhance its professional development. We also fund social and economic uplift of Historically Disadvantaged South Africans and with the ongoing support and participation of our Economic Empowerment partners make sure that we give back to the community."

He affirmed that COVID-19 presented some challenges for the company, mainly in the inability to fly key personnel to the site and temporarily suspending operations in South Africa for 18 days during the country-wide lockdown. MRC has implemented all the necessary safety measures to keep its workforce safe and has introduced a support mechanism for its employees, so the business is up and running under the 'new normal.'

Given the focus that Europe has placed on climate neutrality and future standards for sustainable batteries, MRC is in an outstanding position, says Peter Fox. "Not only will we be using low-cost renewable energy, but we will be using an environmentally friendly method to purify our material. The other advantage is we are already in production, selling high-quality material into traditional markets, which means end users can readily qualify our production process and we can move to higher-value product (anode) production as demand comes online."

"The key is that both assets will unlock significant value for shareholders. The mineral sands operation is a stable, core, revenue-generating part of the business, while the graphite business represents an exciting potential for the future." ☺



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