



## MRC TO COLLABORATE WITH EU-FUNDED SMART EXPLORATION PROJECT ON SENJA, NORWAY

- **MRC has entered into an MOU with the EU's Horizon 2020 Smart Exploration Project, to participate in a three-year €5.3M initiative consisting of 27 partners and nine different countries, primarily focused on developing new, innovative methods and technologies for mineral exploration.**
- **The Smart Exploration Project is funded under the European Union's Horizon 2020 program. The Horizon 2020 program supports projects that promote and facilitate innovation and help secure Europe's global competitiveness.**

Mineral Commodities Ltd ("MRC" or "the Company") is pleased to announce that it has entered into a Memorandum of Understanding ("MOU") with the Horizon 2020 Smart Exploration Project ("Smart Exploration") to form a geoscientific collaboration focused on mineral exploration, including the exchange of technology applications, education and training.

The Smart Exploration's primary aim is to develop geophysical methods and instruments to be used separately and/or jointly for exploration in near-mine environments at deeper exploitation depths (eg 300-1500m) with common Earth 3D geo-models.

The Smart Exploration Project will develop:

- (1) new and more environmentally sensitive exploration technologies (new prototypes);  
and
- (2) algorithms (2D and 3D) and how-to solutions for innovative multi-method approaches to model/reprocess existing or new geophysical/geological data, that are capable of identifying deep targets for detailed exploration.

The EU-funded Smart Exploration is a three-year €5.3M project primarily focused on developing new, innovative methods and technologies for deep exploration targets.

The Smart Exploration consortium consists of 27 partners from nine different countries, with six exploration test sites to date. Most of the work is considered near-mine or brownfields exploration, which has provided extensive legacy datasets to test new geophysical algorithms and integrate the various data into new interpretations.

The Smart Exploration Project has resulted in five new prototypes and six new solutions for deep deposit characterisation and imaging.

MRC, through its 90% owned subsidiary, Skaland Graphite AS (“Skaland”), operates the largest producing graphite mine in Europe and the highest-grade flake graphite project in the world. Skaland is located on the island of Senja, in northern Norway, about 50km south-west of Tromsø, the third-largest city north of the Arctic Circle.

In July 2020, as a part of a broader strategy to secure new graphite deposits and expand future production at Senja, MRC entered into a binding agreement to explore the Bukken prospect, the largest known graphite continuous anomaly in Norway<sup>1</sup>.

In January 2021, MRC added a further two landowner agreements to explore the Hesten and Vardfjellet graphite prospects<sup>2</sup>, which are situated 2.5km apart and located 4km to the west of the Bukken prospect.

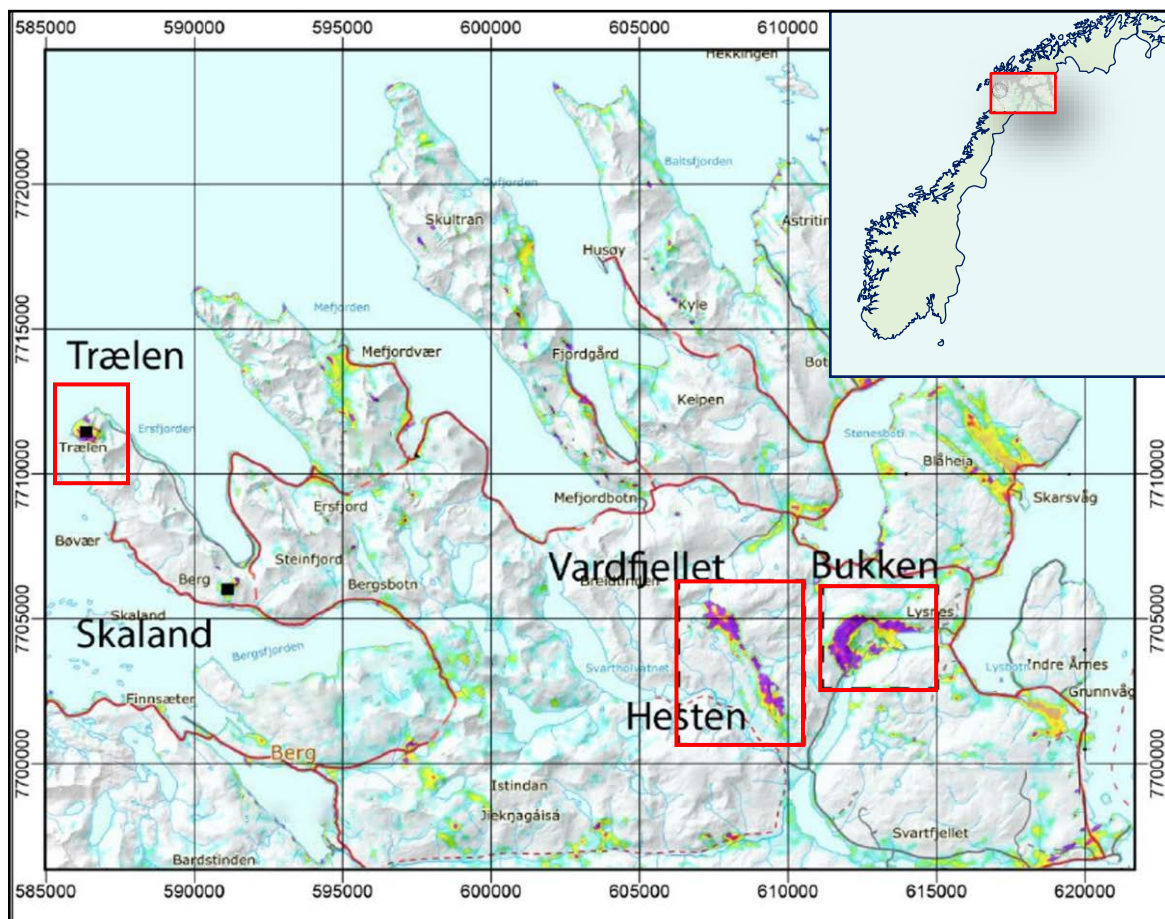


Figure 1: Graphite occurrences in Northern Senja, overlaid by apparent resistivity from helicopter-borne 7kHz (modified after NGU, 2019).

All three prospects were identified by the Geological Survey of Norway (“NGU”) through regional helicopter-borne geophysical surveys (NGU, 2017). Detailed geological mapping, including structural mapping, sampling and assaying, was undertaken in 2003, 2016 and again in 2018 for all prospects.

<sup>1</sup> ASX Release – HIGHLY PROSPECTIVE GRAPHITE EXPLORATION PROJECT 20km from Skaland, 15 July 2020.

<sup>2</sup> ASX Release – MRC SECURES TWO ADDITIONAL GRAPHITE PROSPECTS NEAR SKALAND, 19 January 2021.

The graphite mineralisation is hosted by early Proterozoic schists and gneisses of the Western Tross Basament Complex. Graphite mineralisation occurs as strongly folded bands of enriched graphitic schist/gneiss within a host of non-graphitic schist/gneiss. The geology and mineralogy of the graphite-bearing rock is similar to that observed at the Skaland Graphite Operation.

### Next Steps

The Company intends to commence an exploration program in the June quarter 2021, comprising further ground-based geological mapping and sampling to determine higher grade locations to target drilling.

MRC and the Smart Exploration consortium will initially collaborate to apply a high-resolution 2D surface seismic and UAV mag-EM survey (a technology developed by the Smart Exploration Project) for drilling target delineation over the Bukken, Hesten and Vardfjellet graphite prospects. MRC will initially make an in-kind contribution and work with Smart Exploration to improve exploration outcomes and expand knowledge on existing ore deposits.

**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 mineral sands and battery minerals sectors.

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

In October 2019, the Company completed the acquisition of Skaland Graphite AS, the world's highest-grade operating flake graphite mine and one of the only producers 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.

MRC's Graphite vision is to be a European supplier of high quality, low emission, sustainably manufactured, natural graphite active anode material to meet the fast-growing demand for sustainably manufactured Lithium-Ion Batteries.

**Cautionary Statement**

This report may contain 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 several factors could cause actual results or expectations to differ materially from the results expressed or implied in the forward-looking statements.