

Strategic Collaboration Agreement with Mitsubishi Chemical Corporation

- **MOU with leading anode materials manufacturer Mitsubishi Chemical Corporation**
- **Early entry into European anode materials supply chain via Phase 1 Toll Manufacturing Agreement**
- **Broader business collaboration in Phase 2 for manufacturing and sale of high-quality active anode materials in Europe, leveraging**
 - **MRC's natural graphite resources and environmentally sustainable purification, and**
 - **MCC's anode materials technologies, qualification, marketing and sales experience**
- **Phase 2 will position MRC as Europe's first vertically integrated graphite ore-to-active anode materials supplier leveraging MRC's purified graphite and MCC technologies for high performance natural graphite active anode materials**

Mineral Commodities Ltd (ASX: MRC) (**MRC**) is very pleased to announce a non-binding memorandum of understanding (**MOU**) with Mitsubishi Chemical Corporation (**MCC**) to collaborate on graphitic anode materials supply in Europe.

In a phased collaboration MCC and MRC will explore collaboration opportunities including:

- **Phase 1** - A Manufacturing and Supply Agreement (**Toll Manufacturing Agreement**), in which MRC, via a 100% MRC owned Norwegian subsidiary (Ascent Graphite AS), will construct and operate an "Anode Plant" in Norway to toll treat graphitic material supplied by MCC for subsequent deliver to MCC, and
- **Phase 2** - A broader business collaboration agreement to produce and sell active anode materials in Europe manufactured using MRC's purified graphitic materials and MCC's active anode materials technologies and experience in material qualification, marketing and sales.

The parties have been discussing potential collaboration to undertake European anode production and supply, resulting in the MOU. Phase 1 of the agreement is considerably advanced with MRC conducting engineering design for the Anode Plant with a Final Investment Decision expected in Q3 2022.

Phase 2 targets a broader collaboration to manufacture and sell high quality active anode materials in Europe, leveraging:

- MRC's natural graphite concentrates, commencing with Skaland graphite;
- MRC's environmentally sustainable natural graphite purification technology that do not use toxic hydrofluoric acid;
- MCC's active anode materials technologies; and

- MCC's active anode materials qualification, marketing and sales experience

MCC's technologies include:

- a natural graphite-based anode material (**SF-MFG**) that has comparable performance with synthetic graphite with respect to long cycle life and low swelling; and
- a natural graphite-based anode material (**SCG**) with a chemical coating to reduce greenhouse gases (**GHG**) emissions relative to conventional pitch coating processes.

The comparable performance of SF-MFG and synthetic graphite potentially allows downstream manufacturers to simplify their processing to just use natural graphite based anode materials, whilst SCG reduces GHG emissions associated with furnace treatment (carbonisation) for pitch coatings.

MCC also brings its very significant anode materials qualification, marketing and sales experience to the Phase 2 collaboration. For MRC, the collaboration allows the company to accelerate its transition to a vertically integrated natural graphite-based anode materials supplier in Europe, based on its natural graphite resources and environmentally sustainable purification.

The form of the Phase 2 collaboration is to be agreed, with options including but not limited to a Joint Venture, Toll Manufacturing or Technology Licensing. Initial samples have been supplied to MCC for Phase 2 testing, with further samples provision and testing on-going.

The CEO and Managing Director of Mineral Commodities, Mr Jacob Deysel said, *"Mitsubishi Chemical Corporation have significant experience and expertise in the production, qualification and marketing of anode materials which makes them the perfect collaborative partner to build our European Sustainable Graphitic Anode production strategy, initially based on Skaland Graphite natural graphite concentrate. With our Phase 1 Toll Manufacturing Agreement, we will gain early entry and invaluable experience in the anode materials supply chain. The Phase 2 business collaboration provides the opportunity to leverage MCC's expertise and our natural graphite operations at Skaland and environmentally sustainable purification technology for Europe's first vertically integrated ore-to-anode materials business"*.

The material terms of the MOU are outlined below:

Phase 1 - Toll Manufacturing Agreement

From the date of the MOU, MCC and MRC will in good faith progress the negotiation of the Manufacturing and Supply Agreement with the intention to execute the agreement prior to the planned FID in Q3 2022.

Phase 2 – Business Collaboration

- (a) MRC will provide samples of MRC's purified natural flake graphite and purified spherical graphite to MCC and MCC will conduct technical investigation and determine the qualification of such samples provided by MRC.
- (b) After completion of the technical investigation conducted by MCC, MCC and MRC will negotiate and agree on the form of the collaboration for the commercial arrangement to co-operate and profit share in the commercialization, manufacturing and sale of active anode materials for sale to Cell Manufacturers in Europe.

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About Mitsubishi Chemical Corporation

MCC is a subsidiary of Mitsubishi Chemical Holdings Corporation. Mitsubishi Chemical Holdings Corporation is a Japanese corporation that was established in October 2005. It is the largest chemical corporation based in Japan.

MCC is an established market leader in the production and supply of anode materials and has extensive expertise, physical infrastructure, intellectual property, and processes that enable it to produce anode material from natural flake graphite concentrate.

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 industrial and critical 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.

The Company 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 ultimately aims to produce graphitic anode products and capitalise on the fast-growing demand for sustainably manufactured Lithium-Ion Batteries.

In April 2022, the Company released its Five-Year Strategic Plan 2022-2026¹ to delineate and implement its aspiration 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.

About Ascent Graphite

Ascent Graphite AS ("ASG") is a 100% owned subsidiary of MRC registered in Norway. MRC is positioning Ascent as its value-adding, European anode materials supply subsidiary.

¹ Refer ASX Announcement entitled 'MRC Unveils Five Year Strategic Plan 2022-2026', dated 29 April 2022.