



ASX: MRC

6 June 2022

## MITSUBISHI CHEMICAL HOLDING GROUP RELEASES ENHANCEMENT STRATEGY

Mineral Commodities Ltd (ASX: MRC) is pleased to advise shareholders of the release of Mitsubishi Chemical Holding Group's (**MCHG**) Anode Material Enhancement Strategy which refers to the recent MOU and collaboration with our Company<sup>1</sup>. A copy of the announcement is annexed hereto.

MRC recently announced a strategic collaboration with Mitsubishi Chemical Corporation (**MCC**)<sup>2</sup>, which is one of the main operating companies of MCHG. The low swelling natural graphite anode material described in the MCHG announcement is equivalent to the SF-MPG targeted in the MRC-MCC Phase 2 collaboration.

MRC is pleased to note that the product surpasses artificial (synthetic) graphite performance and MCHG's increase from qualification level to commercial scale production, indicating market acceptance of the new product.

MRC looks forward to further advancing testing on anode materials produced from Skaland concentrate under the MRC-MCC collaboration.

Please see annexed announcement.

**ENDS**

Issued by Mineral Commodities Ltd ACN 008 478 653 [www.mineralcommodities.com](http://www.mineralcommodities.com)  
Authorised by the CEO and Company Secretary, Mineral Commodities Ltd

For further information, please contact:

### INVESTORS & MEDIA

**Jacob Deysel**

CEO and Managing Director

T: +61 8 6373 8900

[investor@mncom.com.au](mailto:investor@mncom.com.au)

### CORPORATE

**Fletcher Hancock**

Company Secretary

T: +61 8 6373 8900

[fletcher.hancock@mncom.com.au](mailto:fletcher.hancock@mncom.com.au)

### 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.

<sup>1</sup> Refer to MCHG Press Release link: "[https://www.mitsubishichem-hd.co.jp/english/news\\_release/01281.html](https://www.mitsubishichem-hd.co.jp/english/news_release/01281.html)".

<sup>2</sup> Refer to ASX Announcement "[Strategic collaboration agreement with Mitsubishi Chemical Corporation](#)" dated 18 May 2022.

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 2022-2026<sup>3</sup> 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.

### **Cautionary Statement**

This announcement 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 announcement apply only at the date of issue and are 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 announcement 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 announcement.

---

<sup>3</sup> Refer ASX Announcement entitled '[MRC Unveils Five Year Strategic Plan 2022-2026](#)', dated 29 April 2022.

**Enhancement of Anode Materials for the Lithium-ion Battery Business**  
**Mitsubishi Chemical Holdings Group strengthens production capacity of low-swelling natural graphite anode materials in China and starts discussing production in the West.**

Mitsubishi Chemical Holdings Corporation

Mitsubishi Chemical Holdings Group (MCHG) has decided to enhance the production capacity of natural graphite anode materials, which are newly developed products for lithium-ion batteries featuring low swelling, from 2,000 tons/year to 12,000 tons/year at its Chinese subsidiary Qingdao Anode Kasei Co., Ltd. (Qingdao City, Shangdong Province, China) and affiliated company Qingdao Lingda Kasei Co., Ltd. (Qingdao City, Shangdong Province, China). MCHG has also begun to consider the production and sale of anode materials in European countries and the United States.

Demand for lithium-ion batteries for automobile applications, mainly for electric vehicles (EVs), is surging due to the global increase in environmental consciousness. The market for the batteries for automobile applications is expected to grow about 30% annually on average. Along with this trend, demand is increasing for high-quality and eco-friendly anode materials, a key component of the batteries, available for automotive applications.

■ **Enhancement of production capacity in China**

Anode materials are made from artificial or natural graphite. MCHG offers advantages in its natural graphite anode products that emit less GHGs during the production process and have an excellent life cycle assessment. Additionally, using its originally developed technology (patented), MCHG has newly developed and provided a higher-grade product that prevents batteries from swelling and adversely affecting battery life, and surpasses artificial graphite-based materials in performance. MCHG has recently enhanced the production capacity of its production line for the product at Qingdao Anode Kasei and Qingdao Lingda Kasei. The production line is scheduled to start operation in the first half of fiscal 2023.

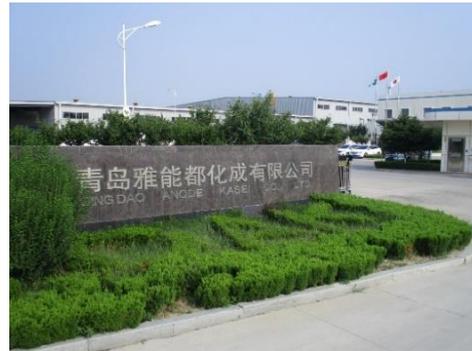
■ **Commencement of manufacturing studies in collaboration with overseas companies that own mines**

Meanwhile, the movement to locally manufacture batteries for automobile applications in North America and Europe is becoming active with auto makers and battery cell makers implementing supply chain strategies. To meet the demand, MCHG has begun to consider securing the procurement of natural graphite-based materials, as well as production and sales in the United States and European countries through collaboration with international companies that own Natural Graphite operations and resources. As the first step of the initiative, MCHG signed two memorandums of understanding this May toward a commercial arrangement with Syrah Resources Ltd. (Syrah; Victoria, Australia), the world's largest integrated producer of flake graphite with production in Mozambique and integrated active anode material production in USA, and Mineral Commodities Ltd. (MRC; Western Australia, Australia), which owns an operating graphite mine in Norway and a graphite project in Australia. MCHG will perform further technical assessments to identify whether MCHG's Anode material production technology is optimized with the source graphite materials, and will then negotiate the details toward future collaboration.

Additionally, MCHG will contribute toward the realization of carbon neutrality by enhancing the manufacturing system on a global scale and offering products with an excellent life cycle assessment to meet the brisk demand for anode materials for lithium-ion batteries.



Anode materials



Qingdao Anode Kasei Co., Ltd.

#### Overview of Qingdao Anode Kasei Co., Ltd.

Office Location: Pingdu, Qingdao City, Shangdong Province, China

Establishment: 2010

Shareholder: Mitsubishi Chemical Corporation (100%)

Business Description: Production and sales of anode materials for lithium-ion batteries

#### Overview of Qingdao Lingda Kasei Co., Ltd.

Office Location: Pingdu, Qingdao City, Shangdong Province, China

Establishment: 2010

Shareholders: Mitsubishi Chemical Corporation (49%), Qingdao Gr-Taida Carbon Co.,Ltd in China (37%) and Meiwa Corporation (14%)

Business Description: Production and sales of spherical graphite for anode materials

#### Overview of Syrah Resources Ltd.

Office Location: Melbourne, Victoria, Australia

Establishment: 2007

Business Description: Mining, processing and sales of natural graphite

<http://www.syrahresources.com.au>

#### Overview of Mineral Commodities Ltd.

Office Location: Belmont, Western Australia, Australia

Establishment: 2003

Business Description: Developer and operator of industrial and critical minerals resources, including mineral sands and natural graphite.

<https://www.mineralcommodities.com/>

#### Contact

Media Relations Phone: +81-3-6748-7140

Corporate Communications Division

Mitsubishi Chemical Holdings Group