



ASX: MRC

26 September 2022

Critical Minerals Grant Funding

- **Government confirms Critical Minerals Grant funding for MRC to build pilot scale battery anode plant in Australia as part of MRC's vertically integrated active anode materials business.**
- **MRC to accelerate its downstream battery anode development strategy**
- **Pilot scale battery anode plant will finalise commercial scale battery anode plant design and provide final battery anode product qualification samples for Skaland and Munmlinup graphite feedstock**
- **Grant will support an FID decision on vertically integrated Munmlinup Graphite Ore to Coated Purified Spherical Graphite development, targeted for Q3 2023, intended to significantly increase graphite concentrate production**
- **Munmlinup FID decision will also support MRC transition to 90% ownership of the Munmlinup Joint Venture**
- **Grant funding of approximately \$3.94M**
- **Grant agreement likely to be executed in October**

Mineral Commodities Ltd (**ASX: MRC** or **the Company**) is pleased to announce that the newly elected Australian Federal Government has confirmed¹ MRC's successful grant application for critical minerals².

The grant funded Project (**the Project**) is comprehensive, and includes the following activities:

- Upstream pilot scale operations to produce concentrate from Munmlinup ore for downstream piloting.
- Downstream pilot plant development and operations at Australia's national science agency, CSIRO.
- Downstream pilot will include the key steps of spheronisation, purification and coating to produce Coated Purified Spherical Graphite (**CPSG**) - an active anode material for lithium-ion batteries.
- Supply of CPSG to customers for qualification and offtake agreements.
- Updated Munmlinup Feasibility Study with modular design aligned with qualification demand and optimisation testwork, incorporating supporting studies on mine scheduling, mine electrification and digitization, and logistics.
- Delivery of downstream and ore-to-anode Definitive Feasibility Study based on Munmlinup Graphite Project (**MGP**).

¹ Refer to <https://www.minister.industry.gov.au/ministers/king/media-releases/government-support-critical-minerals>.

² Refer to ASX Announcement entitled "[CRC-P Project Completion and CSIRO Collaboration Update](#)", dated 30 May 2022.

It will support a decision by MRC to increase its equity position in MGP to 90% and a Final Investment Decision (**FID**) on an integrated MGP and downstream development in Australia. The development of MGP is a significant element of MRC's Strategic Plan³ to significantly increase graphite concentrate production beyond the current operating Skaland graphite mine in Norway.

MRC has conducted significant work on the Skaland graphite processing plant, which will be integrated into the Munmlinup flowsheet, demonstrating the ownership benefits from Skaland Graphite AS.

Concentrate from Skaland Graphite will be used initially in the downstream piloting, whilst Munmlinup concentrate is being generated. This will support validation of the downstream processing on Skaland concentrate and provide Skaland samples for customer qualification. The battery anode product qualification of MGP and Skaland graphite ore feedstock is another significant element of MRC's Strategic Plan to unlock the full value of MRC's Battery Minerals division.

The focus of the grant funded project is an integrated, ore-to-anode material development of MRC's Munmlinup Graphite Project. The project supports optimisation of the MGP flowsheet, downstream piloting to produce CPSG for customer qualification and offtake agreements, as well as supporting studies for MGP.

The key deliverables for the project are:

- CPSG samples from Munmlinup and Skaland concentrate at the 20kg + scale (referred to as "B" samples) for customer qualification and offtake agreements, and
- An Integrated Ore-to-Anode Materials Definitive Feasibility Study (**DFS**) for Munmlinup

The Project together with environmental approvals for MGP (expected in December quarter 2022) will position the Company to increase its equity interest in MGP to 90% and make a Final Investment Decision on an integrated MGP development.

MRC's Managing Director, Mr Jacob Deysel said, *"We are very pleased to receive confirmation of approval for the critical minerals grant and look forward to working with the Commonwealth government, CSIRO and the Australian METS sector in an integrated ore-to-anode materials development for Munmlinup – a critical minerals project for Western Australia. This project is a critical step in positioning MRC's Battery Minerals Division as a sustainable, vertically integrated battery anode supplier in Europe, leveraging off the operating European based Skaland graphite mine."*

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**Issued by Mineral Commodities Ltd ACN 008 478 653 www.mineralcommodities.com
Authorised by the CEO and Company Secretary, Mineral Commodities Ltd**

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

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About Mineral Commodities Ltd:

Mineral Commodities Ltd is a global mining and development company with a primary focus on the production of high-grade Mineral Sands and Natural Flake Graphite from operations in South Africa and Norway.

The Company is a leading producer of zircon, rutile, garnet, magnetite, 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 aims to capitalise on the fast-growing demand for sustainably manufactured lithium-ion batteries.

In April 2022, the Company released its Five-Year Strategic Plan 2022-2026⁴ 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.

⁴ Refer ASX Announcement entitled '[MRC Unveils Five Year Strategic Plan 2022-2026](#)', dated 29 April 2022.

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.