



## Highlights

### During the quarter:

- MRC secures finished product garnet offtake and Mineral Separation Plant funding term sheet with GMA<sup>1</sup>
- MRC granted De Punt prospecting right at South Tormin,<sup>2</sup> with subsequent exploration work identifying the high prospectivity of De Punt, which appears to extend the Tormin Western and Eastern Strandline deposits to the south<sup>3</sup>
- Government confirms Critical Minerals Grant funding for MRC to build pilot scale battery anode plant in Australia<sup>4</sup>
- MRC and Green Graphite Technologies sign an Equity/Licence Agreement<sup>5</sup> to build alternate process pilot scale battery anode plant in Canada
- Tormin mining and processing throughput remains above budget expectations
- Fourth consecutive quarter of stabilised operating performance at Skaland

### After quarter end:

- MRC Secured Funding Support for its Strategic Plan Growth Strategy<sup>6</sup>

## Corporate and Cash

**Cash:** US\$1.9 million as at 30 September 2022, with an A\$15.7 million Placement and Rights Issue announced for the December 2022 quarter

**Debt:** US\$9.3 million as at 30 September 2022

**Securities:** 558.8 million shares and 27.7 million performance rights as at the date of this report

The Strategic Plan 2022-2026<sup>7</sup> (**Strategic Plan**) outlined the Company's aim to return the Company to solid profitability through maximising profitability from existing assets, while expanding its resources and reserves and enhancing downstream vertical integration. During the quarter, the Company achieved several strategic milestones towards the objectives of the Strategic Plan:

- Heavy Minerals – maximising profitability from existing assets through securing a non-binding finished product garnet offtake and funding term sheets with Garnet International Resources Pty Ltd, a member

<sup>1</sup> Refer ASX announcement entitled '[MRC Secures Non-Binding Offtake and Funding Term Sheet with GMA](#)', dated 14 September 2022.

<sup>2</sup> Refer ASX announcement entitled '[MRC Granted De Punt Prospecting Right at South Tormin](#)', dated 28 July 2022.

<sup>3</sup> Refer ASX announcement entitled '[Strandline Extension Targets Identified at De Punt](#)', dated 25 August 2022.

<sup>4</sup> Refer ASX announcement entitled '[Critical Minerals Grant Funding Update](#)', dated 26 September 2022.

<sup>5</sup> Refer ASX announcement entitled '[MRC and Green Graphite Technologies Equity/Licence Agreement](#)', dated 15 September 2022.

<sup>6</sup> Refer ASX announcement entitled '[MRC Secured Funding Support for Growth Strategy](#)', dated 3 October 2022.

<sup>7</sup> Refer ASX announcement entitled '[MRC Unveils Five Year Strategic Plan 2022-2026](#)', dated 29 April 2022.

of the GMA Group (**GMA Group**) including US\$10 million for Mineral Separation Plants (**MSP**) that transition current concentrate products into higher value finished garnet and ilmenite product, while targeting expanding its resources and reserves after being granted the De Punt prospecting right at South Tormin; and

- Battery Minerals – Enhancing downstream vertical integration as the Company now has access to two natural graphite battery anode purification technologies advancing into pilot-scale testing and qualification materials supply, with the Australian government confirming 50% funding to build a caustic process pilot scale battery anode plant in Australia and the Company funding a stake in an alternative carbochlorination process pilot scale battery anode plant in Canada.

After quarter end, MRC has initiated funding support of up to A\$15.7 million towards the objectives of the Strategic Plan:

- Heavy Minerals – up to A\$7.2 million towards Tormin mine improvements in efficiency, flexibility and scale through funding the third primary concentration plant at Tormin that will increase the production capacity of Tormin, mining method adjustment PFS and DFS at Tormin that targets increasing mineral extraction from the Inland Strands, De Punt new prospect resource and reserve drilling and the Tormin Inland Strands reserve expansion and extension works;
- Battery Minerals – up to A\$5.1 million towards downstream vertical integration, including the remaining 50% of funding required to build a caustic process pilot scale battery anode plant in Australia and PFS and DFS work targeting commercial scale battery anode plants for Skaland and Munglinup graphite concentrates; and
- Corporate – up to A\$3.4 million towards providing working capital to improve balance sheet strength and meet expenses of the funding package.

During the quarter, the Company entered into a non-binding Offtake and Funding agreement with GMA Group whereby:

- a) MRC agrees to supply GMA Group with finished garnet product in the following volumes:
  - (i) 2024-2025 – 80ktpa;
  - (ii) 2026-2028 – 105ktpa; and
  - (iii) 2029-2033, subject to renewal at GMA's election – 125ktpa; and
- b) GMA Group agrees to provide MRC with US\$10,000,000 in loan funding, repayable over 5 years from 1 January 2024, on commercial terms to fund the design and construction of a 250-300ktpa Garnet and Ilmenite MSPs in the Western Cape Region of South Africa.

Offtake Agreement pricing is agreed and commercial in confidence, subject to existing rise and fall mechanisms. GMA also has first right of refusal on any finished garnet product produced in excess of the mandated minimum offtake volumes referred to above.

This offtake agreement will form the foundation of expanding our revenue base and profitability at Tormin. To provide context, the Tormin operation produced 145kt of garnet concentrate in 2021, highlighting that this minimum offtake agreement will cover most of the available finished garnet produced from current operations. The GMA funding agreement also allows construction of an ilmenite MSP, with ilmenite finished product to be sold into the lucrative, well established finished ilmenite market.

These agreements align with MRC's Strategic Plan to transition into higher value finished products, with construction of the MSPs aiming to be completed by the December 2023 quarter. The Company's implementation

of the Strategic Plan aims to maximise the value of our mineral sands operations by maximising final product value through transitioning from mixed concentrates to finished garnet and ilmenite mineral products.

During the quarter, the Company was granted the De Punt prospecting right, 10240PR, at South Tormin allowing the Company to extend exploration a further 13km south along strike of our Inland Strands deposit (Figure 1). The permit allows Mineral Sands Resources (**MSR**) to commence prospecting activities, including a resource definition drilling program, on the Inland Strand areas contiguous to the south of the existing Western and Eastern Strand deposits adjacent to the Tormin mining operations. De Punt aligns with our Strategic Plan targeting larger scale and diversified operations by increasing mineral resources beyond the existing Western and Eastern strandlines, with the aim of significantly increasing production.

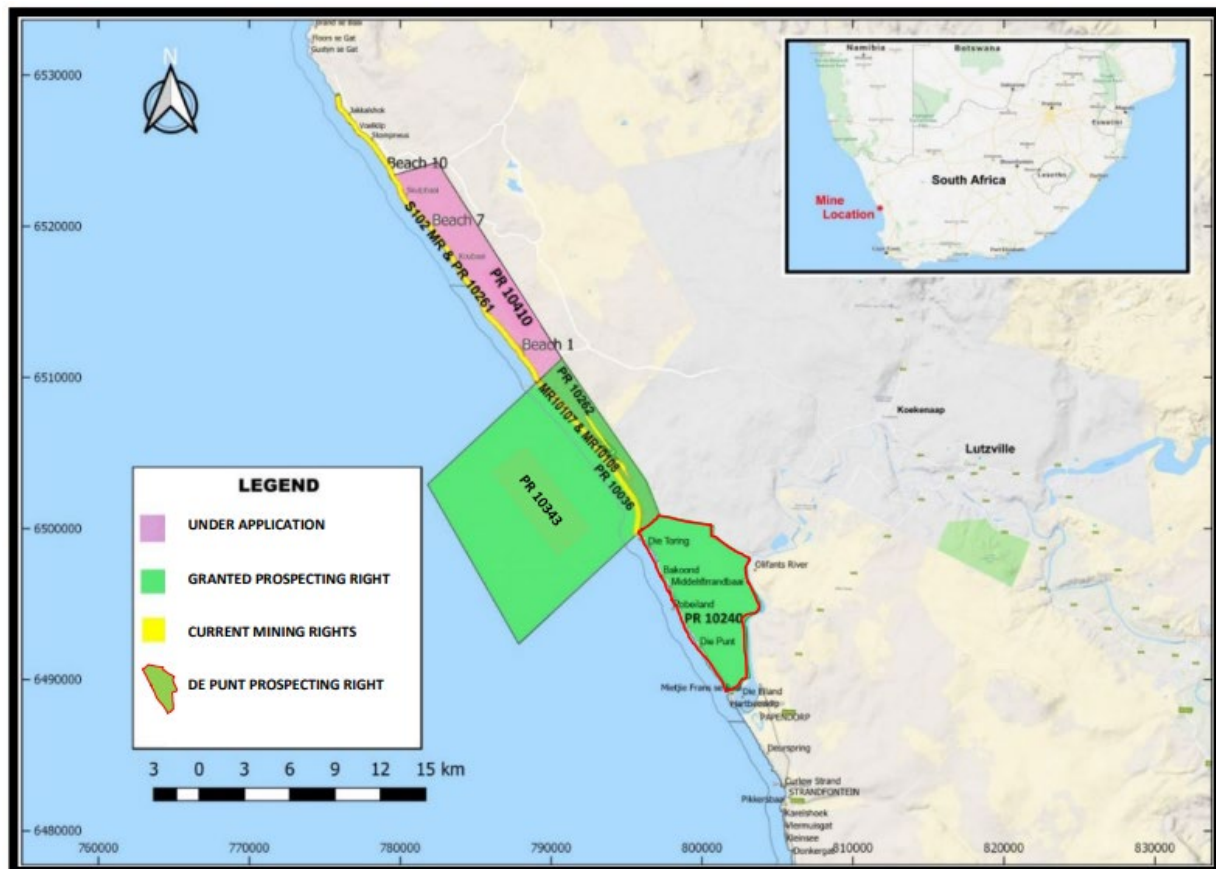


Figure 1 – Tenements granted and under application in the west coast of South Africa.

The Company received confirmation of MRC's successful grant application under the Critical Minerals Acceleration Initiative from the Australian Federal Government during the quarter.

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

- Upstream pilot scale operations to produce concentrate from Munghlinup 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 Munghlinup Feasibility Study with modular design aligned with qualification demand and optimisation testwork, incorporating supporting studies on mine scheduling, mine electrification and digitization, and logistics; and
- Delivery of downstream and ore-to-anode Definitive Feasibility Study based on Munghlinup Graphite Project (**MGP**).

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

The battery anode product qualification of MGP product and Skaland graphite ore feedstock is another significant element of MRC's Strategic Plan unlock the full value of MRC's Battery Minerals division.

The Company also announced during the quarter that it had entered into an equity and licence agreement with Green Graphite Technologies (**GGT**). Under the terms of the agreement, MRC has vended intellectual property developed for it by Kingston Process Metallurgy into Green Graphite Technologies in return for:

- A 10% equity interest in GGT; and
- Exclusive Technology Licences for Norway and Western Australia.

GGT, which has trademarked the purification process GraphPure™ in Canada, has been successful in a grant application to Sustainable Development Technologies Canada (**SDTC**) for grant funding of C\$1M for pilot plant development of the GraphPure™ process. SDTC is an independent, arms-length foundation of the Canadian Government created to fund new clean technologies. Other members of the successful consortium with GGT includes Nouveau Monde Graphite, Eagle Graphite and Rain Carbon.

The consortium will co-fund the pilot-scale development in Phase 1 with SDTC. It is hoped that this will be followed by a demonstration plant in Phase 2.

After quarter end, the Company announced plans to raise up to A\$15.7 million in additional funding towards its growth strategy as outlined in the Strategic Plan. The proposed funding strategy is well timed to enhance near term cashflow generation from our Tormin operation, grow our resource and reserve and deliver the next stage of our battery minerals downstream anode production execution plan. The funding proposal included:

1. To raise up to A\$15.7M at an issue price of \$0.075 per share pursuant to a Placement and Entitlement Issue;
2. Placement of 23.3M shares raising A\$1.7M to its largest shareholder, Au Mining;
3. Entitlement Issue of 1 new share for every 3 shares on issue, resulting in the issue of up to 186.3M new shares to raise up to A\$14.0M; and
4. The Entitlement Issue will be partially underwritten by Au Mining Limited (Au Mining) for up to A\$6,600,000 and two directors of the Company for up to A\$100,000 each.

The Use of Funds for the Placement and Rights Issue are:

Use of funds	Quantum A\$M
3rd primary concentration plant ( <b>PCP</b> ) at Tormin	4.3
Tormin downstream production development	0.5
Mining method adjustment PFS and DFS at Tormin	1.3
De punt resource and reserve drilling, adjacent to Tormin	0.7
Tormin Inland Strand reserve expansion and extension	0.4
Graphite anode pilot plant	4.3
PFS and DFS graphite anode commercial plant module	0.8
Expenses of the Offer	0.4
Working capital	3.0
<b>TOTAL</b>	<b>15.7</b>

These funds aim to:

- increase heavy mineral production capacity, reserve and resource size and transition to higher value finished products;
- de-risk our commercial-scale battery anodes development, support securing battery anode offtake agreements and accelerates development and FID decision of our Munghlinup Graphite Project; and
- improve the working capital position and balance sheet strength of the Company.

The Offer Document<sup>8</sup> associated with the Rights Issue was announced on 7 October 2022. The Offer Document, including each of the documents attached to it, is important in providing information and risk factors associated with the Rights Issue. The Rights Issue is expected to close in November 2022.

Tormin's operating performance remains strong and above budget expectations, with annualised mining rates at circa 3.14 million tonnes and annualised processing rates of more than 2.6 million tonnes. Recoveries remain in line with historical performance, with grade being the key driver in production variability. The re-introduction of production from the Inland Strands planned for the December 2022 quarter will be the catalyst for improved beach mining grades with the Five Year Strategic Plan 2022-2026 (Strategic Plan) providing for the two placer beach deposits being sustainably mined at 1.5Mt respectively every two years from that point onwards.

Use of Funds for the Placement and Rights Issue towards the third primary concentration plant at Tormin are targeting increased production, conditional on approvals, while GMA proposed funding of downstream production development of MSPs to transition Tormin into selling higher value finished products are key catalysts in aiming to return Tormin to more historical profitability.

One of the objectives of management is to stabilise operations at Skalands and return Skalands to profitability. The September 2022 quarter reflects the fourth successive quarter that Skalands production has been in line with an annualised production rate of 10ktpa, which is the historical performance baseline for Skalands. Cost and revenue optimisation is ongoing, with further cost reductions implemented during the current quarter.

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<sup>8</sup> Refer ASX announcement entitled '[Non-Renounceable Rights Issue Offer Document](#)', dated 7 October 2022.

## SAFETY, ENVIRONMENT AND COMMUNITY

The Company's 12-month Total Recordable Injury Frequency Rate ("TRIFR") reduced to nil in the September 2022 quarter, compared to 3.4 in the June 2022 quarter.

### Tormin

Tormin had no recordable injuries during the September 2022 quarter.

### Skaland

Skaland had no recordable injuries during the September 2022 quarter.

## TORMIN OPERATIONS

Ore mining remained strong at circa 3.14 million tonnes (annualised) during the quarter. The Company maintained the processing rate during the quarter at 2.6Mtpa, producing 71,127 tonnes of final concentrates, a 3.4% decrease on the previous quarter.

Waste and ore mining at the Inland Strands also recommenced towards the end of the current quarter in preparation for Inlands Strands production in the next quarter.

### Mining

Mining	30-Sep-22 Quarter	30-Jun-22 Quarter	30-Sep-21 Quarter	Year to Date 30-Sep-22	Year to Date 30-Sep-21
Material Mined - Tonnes (dmt)	<b>852,498</b>	687,396	1,122,975	<b>2,310,352</b>	3,538,000
Ore Mined - Tonnes (dmt)	<b>785,996</b>	687,396	807,381	<b>2,238,758</b>	2,293,378
Waste Mined – Tonnes (dmt)	<b>66,502</b>	-	315,594	<b>71,594</b>	1,244,622
Grade (VHM)	<b>10.5%</b>	13.6%	12.7%	<b>10.9%</b>	14.2%
- Garnet	<b>8.2%</b>	11.3%	9.6%	<b>8.7%</b>	8.8%
- Ilmenite	<b>1.5%</b>	1.7%	2.0%	<b>1.4%</b>	4.1%
- Zircon	<b>0.5%</b>	0.4%	0.7%	<b>0.5%</b>	0.9%
- Rutile	<b>0.3%</b>	0.2%	0.4%	<b>0.3%</b>	0.4%

Tormin saw a 24% increase in material mined this quarter to 0.85 million tonnes, with a Valuable Heavy Mineral ("VHM") grade of 10.5% in comparison to the previous quarter of 13.6%. The decreased VHM grade reflects lower grades at the Northern Beaches due to resting of higher grade Northern Beaches 1-5 during this quarter in comparison to last quarter when landowner access to those beaches was initially granted.

Mining from the Inland Strands restarted this quarter, with processing to begin in the December 2022 quarter.



Run of Mine (**ROM**) volumes remained strong in the September 2022 quarter at circa 3.14Mtpa. Ore production during the September 2022 quarter from the Northern Beaches, Tormin Beaches and Inland Strands is shown below:

Mining	30-Sep -22 Quarter		
	Northern Beaches	Tormin Beaches	Inland Strands
Ore Mined - Tonnes (dmt)	<b>419,818</b>	<b>340,203</b>	<b>25,975</b>
Grade (VHM)	<b>10.7%</b>	<b>9.7%</b>	<b>5.8%</b>
- Garnet	<b>8.6%</b>	<b>8.1%</b>	<b>1.8%</b>
- Ilmenite	<b>1.3%</b>	<b>0.9%</b>	<b>3.3%</b>
- Zircon	<b>0.5%</b>	<b>0.4%</b>	<b>0.5%</b>
- Rutile	<b>0.3%</b>	<b>0.3%</b>	<b>0.2%</b>

## Processing

ROM feed tonnes to the Primary Beach Concentrators (**PBC**) were higher than the previous quarter at 656Kt, representing an average feed rate of 334tph and 91% plant utilisation. Throughput increased by 2% in comparison to the previous quarter, offset by lower mined feed grades that saw final concentrate production for the period decreased to 71,127 tonnes, compared to the June quarter of 73,602 tonnes.

Total tonnes processed by the GSP/SCP were 15.3% below the previous quarter at 151kt, compared to 179kt from the previous quarter, offset by improved heavy mineral concentrate production that led to final concentrates production only 3.4% below the previous quarter.

GSP/SCP Production & Processing	30-Sep-22 Quarter	30-Jun-22 Quarter	30-Sep-21 Quarter	Year to Date 30-Sep-22	Year to Date 30-Sep-21
Tonnes processed (gross dmt)	<b>151,392</b>	178,763	163,108	<b>444,851</b>	442,807
Tonnes produced (dmt)					
- Garnet concentrate	<b>59,311</b>	60,075	41,813	<b>155,895</b>	96,045
- Ilmenite concentrate	<b>9,736</b>	11,340	23,106	<b>30,494</b>	73,387
- Zircon/Rutile concentrate	<b>2,080</b>	2,187	3,976	<b>6,390</b>	10,504
- Zircon in concentrate	<b>73.9%</b>	74.2%	73.0%	<b>74.5%</b>	71.3%
- Rutile in concentrate	<b>17.6%</b>	17.9%	18.8%	<b>17.6%</b>	19.5%

## Sales

Sales (wmt)	30-Sep-22 Quarter	30-Jun-22 Quarter	30-Sep-21 Quarter	Year to Date 30-Sep-22	Year to Date 30-Sep-21
- Garnet concentrate	<b>15,318</b>	86,257	28,891	<b>137,348</b>	85,445
- Ilmenite concentrate	<b>39,228</b>	2,621	-	<b>45,110</b>	54,100
- Zircon/Rutile concentrate	<b>2,380</b>	3,050	3,516	<b>8,669</b>	12,056

Tormin shipments/sales were 15,318 wet metric tonnes of garnet, 2,380 wet metric tonnes of zircon/rutile concentrate and 39,228 wet metric tonnes of ilmenite. One 38,500 wet metric tonnes ilmenite shipment sailed in

July. Garnet sales reflect third party sales, given completion during the first half of 2022 of the GMA Garnet Group's minimum 2022 garnet offtake under the agreement. Non-mags sales reflect quarterly production.

Product sales revenue was US\$10.9 million, representing a total of 56,926 wet metric tonnes sold, compared to prior period revenue of US\$15.0 million for 91,928 wet metric tonnes sold. The decrease reflects the accelerated offtake under the garnet offtake agreement during the June 2022 quarter, partially offset by the 38,500 wet metric tonnes ilmenite shipment that sailed in July.

### Unit Costs & Revenues

Summary of Unit Costs & Revenues	30-Sep-22 Quarter	30-Jun-22 Quarter	30-Sep-21 Quarter	Year to Date 30-Sep-22	Year to Date 30-Sep-21
Unit production cash costs per tonne of net final concentrate produced (US\$/dmt)	<b>94.34</b>	98.15	91.00	<b>109.37</b>	104.29
Unit cost of goods sold per tonne of final concentrate sold (US\$/wmt) <sup>(1)</sup>	<b>160.09</b>	127.97	145.26	<b>142.74</b>	149.99
Unit revenue per tonne of final concentrate sold (US\$/wmt)	<b>191.91</b>	163.32	203.64	<b>171.96</b>	179.35
Revenue to Cost of Goods Sold Ratio	<b>1.20</b>	1.28	1.40	<b>1.20</b>	1.20

Note (1) – Cost of goods sold includes production cash costs, product handling, transport and selling costs, royalties, stock movements and depreciation and amortisation. Excludes corporate and financing costs.

The September 2022 quarter's unit production cash costs were 3.8% lower than the previous quarter, reflecting lower transport cost during the quarter, given completion of GMA sales in the June quarter and the current quarter ilmenite shipment being sold FOB, partially offset by higher diesel and maintenance costs due to the global economic environment.

The total unit cost of goods sold for the September 2022 quarter was US\$160.09/t compared with US\$127.97/t in the previous quarter. This reflects higher unit revenue during the quarter due to the July ilmenite sale. As a result of mineral sands or graphite products being co-products from the same mineral separation process, costs are allocated to the various finished products on the basis of the relative sales value of the finished goods produced. This means that, in general, unit costs of goods sold moves in line with movements in unit revenues.

Unit revenue per tonne of final concentrate sold for the September 2022 quarter of US\$191.91/t is 18% above US\$163.32/t for the previous quarter due to the July ilmenite sale.

Revenue to Cost of Goods Sold Ratio of 1.20 for the September 2022 quarter is lower than the previous quarter of 1.28 but in line with the year-to-date average.



## Tormin Exploration

On 25 August, the Company announced results of data processing of 564-line kilometres of high-resolution airborne magnetic and radiometric survey over De Punt Prospecting Rights, which indicates:

1. Two main linear magnetic trends within the De Punt tenement. The Western linear trend is 13 km long and the Eastern linear trend has an aggregate length of 8 km;
2. The magnetic trends appear to be geologically aligned and extend the reported 212.7Mt Mineral Resources and 21.8Mt maiden Ore Reserves of the Tormin Western and Eastern Strandlines;
3. The assumption is that similar mineralisation should extend within the De Punt prospecting right, as shown in Total Magnetic Intensity map (Figure 2); and
4. Seven major drilling targets (identified along strong magnetic anomalies) have been identified over strike of the Western and Eastern Strandlines extensions in De Punt, covering an area of approximately 700 hectares (Figure 3).

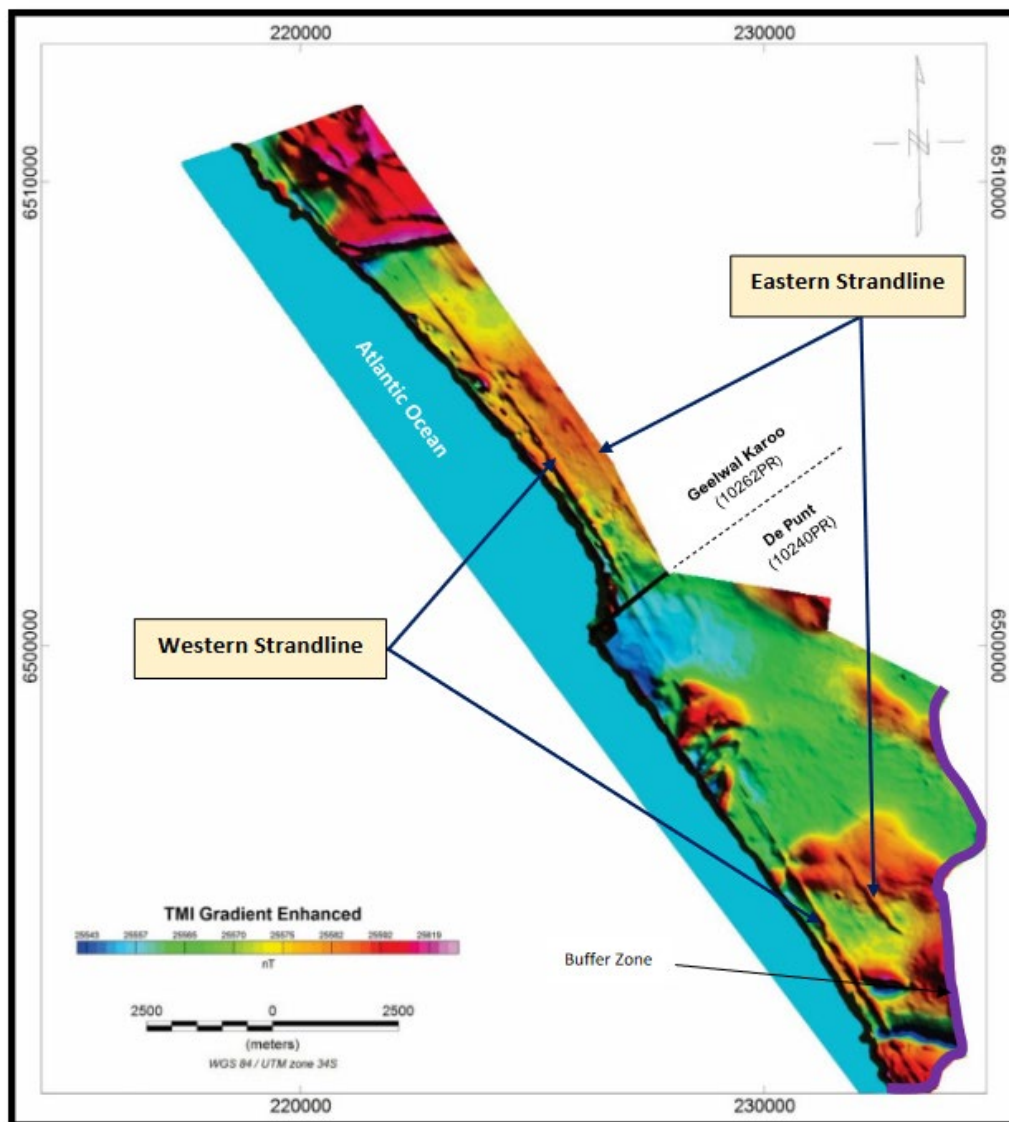


Figure 2 – Total Magnetic Intensity Gradient Enhanced Aeromagnetic anomaly map of De Punt and Geelwal Karoo indicates the Western and Eastern Strandlines.

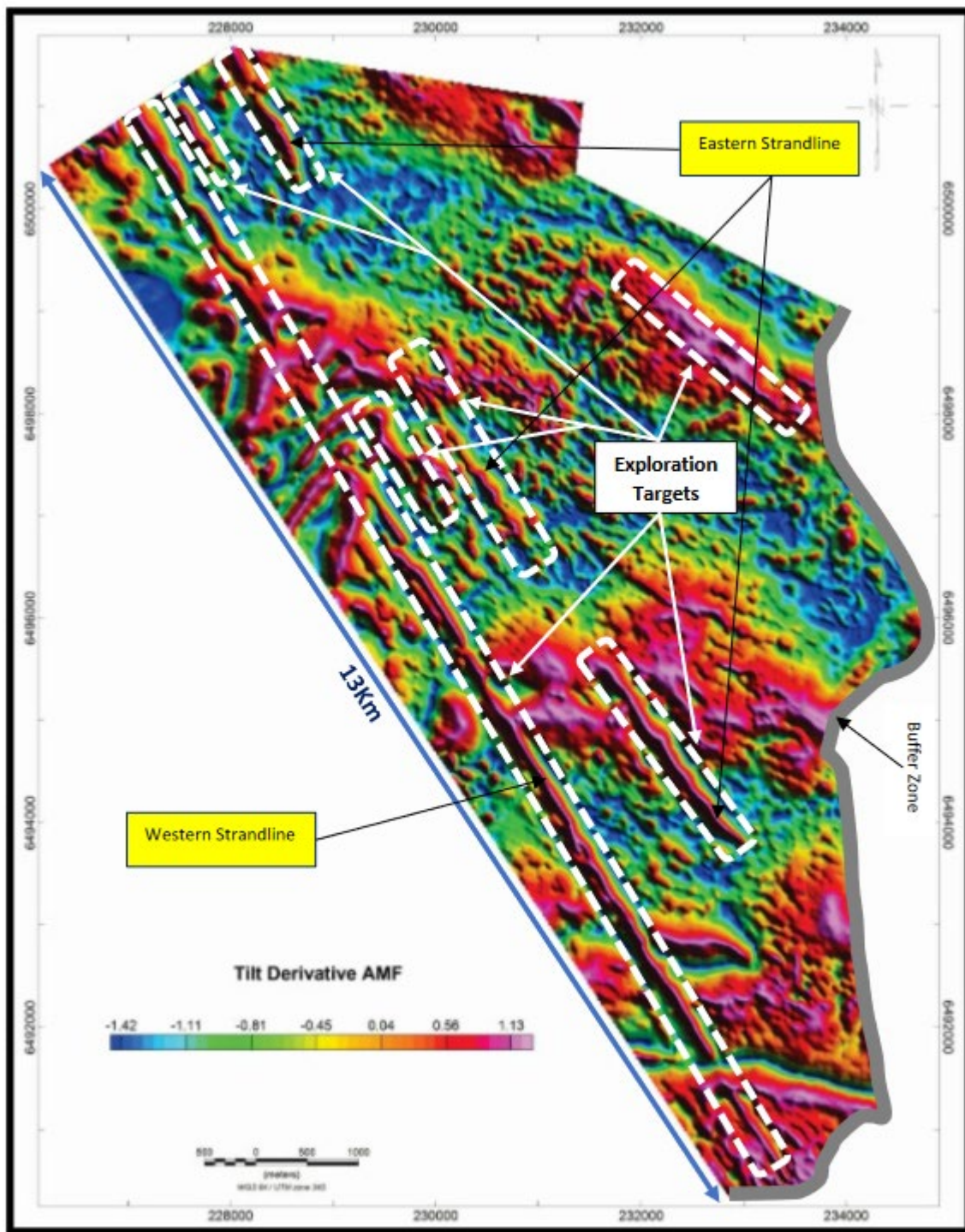


Figure 3 – Anomalous Magnetic Field (AMF) generated from airborne survey over De Punt tenement shows predicted magnetic signatures of two main semi-parallel heavy mineral sand strandlines in the shallow subsurface.

In October 2022, MSR commenced a 5,000 metres of air core drilling resource definition program targeting the areas along strike of the identified inland strands in airborne geophysical anomalies. The plan will target delineating a JORC Code compliant maiden Mineral Resource.

De Punt aligns with our Strategic Plan targeting larger scale and diversified operations by increasing mineral resources beyond the existing Western and Eastern strandlines, with the aim of significantly increasing production.

## SKALAND OPERATIONS

During the September 2022 quarter, the Company continued strong concentrate production rates reflecting improved performance at Skaland in 2022 in comparison to 2021. The down-dip mine development works completed in 2021 improved ore supply from the mine which, complemented by strong plant availability, resulted in year to date processed tonnes and final concentrate produced that are in line with annual budget expectations.

The Company maintained robust concentrate sales during the quarter, selling 2,530 tonnes of graphite concentrate during the period compared to 2,319 tonnes in the prior quarter.

### Mining

Mining	30-Sep-22 Quarter	30-Jun-22 Quarter	30-Sep-21 Quarter	Year to Date 30-Sep-22	Year to Date 30-Sep-21
Material Mined	<b>9,134</b>	10,581	53,554	<b>29,405</b>	109,251
Ore Mined	<b>8,392</b>	9,941	8,802	<b>27,465</b>	19,076
Waste Mined	<b>742</b>	641	44,752	<b>1,940</b>	90,175
Ore Grade (%C)	<b>24</b>	25	23	<b>25</b>	26
Development Metres	<b>104</b>	119	486	<b>336</b>	1,001

Total ore mined for the quarter was 14% lower than the previous quarter due to the annual four week shutdown for Norwegian summer holidays. Importantly, this quarter continues to reflect a return to historical performance to meet the production needs of 10kt per annum of concentrate production from the high-grade Trælen ore body, with reduced development requirements.

Mining and ore delivery has transitioned from development ore to the underground stopes this quarter, which has stabilised ore quality to the process plant.

### Processing

ROM feed to the processing plant for the September 2022 quarter was 8,255 tonnes compared with 8,606 tonnes in the prior quarter. This reflects ore supply being reliably maintained since the mine development completed in the December 2021 quarter.

Graphite concentrate production decreased to 2,228 tonnes, 9% below last quarter production of 2,441 tonnes given the annual four week shutdown for Norwegian summer holidays. Year-to-date reflects improved Skaland plant availability with 7,496 tonnes produced, which is in line with budget expectations and historical operating performance of circa 10,000 tonnes of production per annum. Skaland concentrate grades were maintained at 93% C, with flexibility to produce higher grades subject to customer demand. This also provides the foundation for the Company's ore-to-anode strategy.

Processing	30-Sep-22 Quarter	30-Jun-22 Quarter	30-Sep-21 Quarter	Year to Date 30-Sep-22	Year to Date 30-Sep-21
Ore Processed (t)	<b>8,255</b>	8,606	6,864	<b>25,994</b>	13,571
Throughput (tph)	<b>7</b>	7	7	<b>7</b>	6
Ore Grade (%C)	<b>24</b>	25	23	<b>25</b>	26
C Recovery (%)	<b>94</b>	92	92	<b>92</b>	89
Concentrate Grade (%)	<b>93</b>	93	88	<b>93</b>	89
Concentrate Produced (t)	<b>2,228</b>	2,441	1,682	<b>7,496</b>	3,529

## Sales

The Company sold 2,530 tonnes of graphite concentrate during the September 2022 quarter compared to 2,319 tonnes in the prior quarter, representing a 9% increase in sold concentrate. This reflects production during the quarter and opening inventory sales.

Product (wmt)	30-Sep-22 Quarter		30-Jun-22 Quarter		30-Sep-21 Quarter		Year to Date 30-Sep-22		Year to Date 30-Sep-21	
	Sales	PSD %	Sales	PSD %	Sales	PSD %	Sales	PSD %	Sales	PSD %
Coarse/Medium	<b>832</b>	<b>33%</b>	728	31%	436	30%	<b>2,587</b>	<b>34%</b>	1,268	29%
Fine-Medium/Powder	<b>1,698</b>	<b>67%</b>	1,591	69%	1,002	70%	<b>5,021</b>	<b>66%</b>	3,115	71%
Total	<b>2,530</b>		2,319		1,438		<b>7,608</b>		4,383	

Sales revenue for the September 2022 quarter increased 10% to US\$1.9 million for a total of 2,530 tonnes sold due to a 9% increase in product sold. Product pricing continued to reflect higher pricing achieved for 2022 in comparison to 2021 combined with an improved coarse/ fine fraction.

## Unit Costs & Revenues

Summary of Unit Costs & Revenues	30-Sep-22 Quarter	30-Jun-22 Quarter	31-Mar-22 Quarter	Year To Date 30-Sep-22
Unit production cash costs per tonne of net final concentrate produced (US\$/dmt)	<b>564.10</b>	648.25	679.98	632.68
Unit cost of goods sold per tonne of final concentrate sold (US\$/wmt) <sup>(1)</sup>	<b>752.09</b>	754.06	803.80	772.44
Unit revenue per tonne of final concentrate sold (US\$/wmt)	<b>737.49</b>	733.05	754.37	742.24
Revenue to Cost of Goods Sold Ratio	<b>0.98</b>	0.97	0.94	0.96

Note (1) – Cost of goods sold includes production cash costs, product handling, transport and selling costs, royalties, stock movements and depreciation and amortisation. Excludes corporate and financing costs.

The September 2022 quarter's unit production cash costs were 13% lower than the previous quarter, reflecting lower overall costs due to the annual four week shutdown for Norwegian summer holidays.

The total unit cost of goods sold for the September 2022 quarter was US\$752.09/t compared with US\$754.06/t in the previous quarter.



Unit revenue per tonne was slightly higher to US\$737.49, reflecting an improvement in the coarse/ fine fraction.

Revenue to Cost of Goods Sold Ratio of 0.98 for the September 2022 quarter is aligned with the previous quarter of 0.97.

## DEVELOPMENT

### Munglinup Graphite Project

The Munglinup Graphite Project, for the third consecutive year, was recognised by the Australian Government as a Critical Mineral Project to be included in the Australian Critical Minerals Prospectus 2022.

During the quarter, heritage survey over the Western access road (L74/56) was completed. The Company undertook an additional flora survey and finalised an offset strategy study to update the Western Australian Environmental Protection Authority (**EPA**) documents, and supplementary documents will be submitted to the Department of Water and Environmental Regulation (**DWER**) in November 2022. Final environmental permits are expected in March quarter 2023.

MRC continues to work closely with the Esperance Tjaltjraak Native Title Aboriginal Corporation ("ETNTAC") to finalise a Heritage and Community Engagement Agreement for the Munglinup Graphite Project by December 2022. The execution of the Agreement will provide a range of benefits, opportunities and collaboration for the local community in accordance with the Company's ESG focus.

## CORPORATE

### Cash and Debt

As at 30 September 2022, the Company had US\$1.9 million in cash on hand compared to US\$3.8 million as at 30 June 2022. The net working capital position as at 30 September 2022 is US\$3.0 million, inclusive of diesel fuel receivables in South Africa. Management is buoyed by the strong inventory position, expected positive cash flows from mining operations at Tormin's Inland Strands from the December 2022 quarter and management's ability to raise additional funding as required, including the announced plans to raise up to A\$15.7 million in additional funding towards its growth strategy as outlined in the Strategic Plan, as described above. Management will continue to actively monitor cash flows and remain adaptable to changing fiscal priorities, considering continued fluid operating conditions.

Trade and other receivables as at 30 September 2022 decreased to US\$12.2 million from US\$13.7 million in the previous quarter. Borrowings as at 30 September 2022 were US\$9.3 million compared to US\$9.5 million in the previous quarter.

### Outlook

As stated in the previous quarterly, guidance for 2022 provided in the December 2021 quarterly was subject to delivery of Inland Strand production in line with budget expectations. Due to the deferral of Inland Strand production, ilmenite and non-mags production forecasts for 2022 are below forecast, with the projected production deferred into early 2023.

Tormin's zircon/rutile concentrate continues to attract strong pricing with high levels of demand expected to continue. Non-mags production for 2023 is fully contracted at these high prices. Ilmenite pricing remains strong and is expected to improve in 2023 because of limited supply and high shipping costs.

Updated concentrates production guidance for Tormin and Skaland in 2022 is provided below. The Company cautions it should be viewed considering the ongoing COVID-19 pandemic risks.

Final Concentrate Production - Tormin	Dec 2021 FY2022 Production Guidance Range	FY2022 YTD Production Actuals	Sep 2022 FY2022 Production Guidance Range
Garnet Concentrate (dmt)	150,000 – 180,000	155,895	180,000 – 210,000
Ilmenite Concentrate (dmt)	110,000 -140,000	30,494	40,000 -70,000
Zircon/Rutile Concentrate (dmt)	24,000 – 29,000	6,390	8,000 – 12,000

Final Concentrate Production - Skaland	Dec 2021 FY2022 Production Guidance Range	FY2022 YTD Production Actuals	Sep 2022 FY2022 Production Guidance Range
Coarse / Medium Product (dmt)	2,200 – 3,200	2,624	3,200 – 4,000
Fine-Medium / Powder Product (dmt)	4,600 - 6,600	4,872	6,000 - 7,600

Final Concentrate Sales - Tormin	Dec 2021 FY2022 Sales Guidance Range	FY2022 YTD Production Actuals	Sep 2022 FY2022 Sales Guidance Range
Garnet Concentrate (dmt)	150,000 – 180,000	137,348	160,000 – 190,000
Ilmenite Concentrate (dmt)	120,000 -150,000	45,110	45,000 -80,000
Zircon/Rutile Concentrate (dmt)	24,000 – 29,000	8,669	10,000 – 15,000

Final Concentrate Sales - Skaland	Dec 2021 FY2022 Sales Guidance Range	FY2022 YTD Production Actuals	Sep 2022 FY2022 Sales Guidance Range
Coarse / Medium Product (dmt)	2,200 – 3,200	2,587	3,200 – 4,000
Fine-Medium / Powder Product (dmt)	4,600 - 6,600	5,021	6,000 - 7,600

Skaland has returned to historical performance of circa 9-11Kt of product per annum.

## Securities on Issue

Issued securities at the date of this report comprise:

- 558,819,354 fully paid ordinary shares listed on the ASX.
- 7,366,665 Performance Rights vesting on 23 February 2023 and upon the 30-day VWAP of the Company's shares trading on the ASX being at or above A\$0.19, expiring on 23 February 2026.
- 7,366,665 Performance Rights vesting on 23 February 2024 and upon the 30-day VWAP of the Company's shares trading on the ASX being at or above A\$0.19, expiring on 23 February 2026.
- 7,366,669 Performance Rights vesting on 23 February 2025 and upon the 30-day VWAP of the Company's shares trading on the ASX being at or above A\$0.19, expiring on 23 February 2026.
- 5,600,000 Performance Rights vesting upon the 30-day VWAP of the Company's shares trading on the ASX being at or above A\$0.19.



- ENDS -

**Issued by: Mineral Commodities Ltd ACN 008 478 653**

**Authorised by: The Board of Mineral Commodities Ltd**

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### **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.

### **COMPETENT PERSONS STATEMENT**

**De Punt** - The information in this Announcement related to Exploration results is based on information compiled by Ms Thuli Hlela and reviewed by Mr Bahman Rashidi. Ms Hlela is a Registered Professional Natural Scientist ("Pr.Sci.Nat") with the South African Council for Natural Scientific Professions ("SACNASP") and a member of Geological Society of South Africa ("GSSA"), a Recognised Professional Organisation ("RPO"). She is Mineral Resource Manager of Mineral Sands Resources ("MSR") and a full-time employee of the Company. Mr Rashidi is a member of the Australian Institute of Mining and Metallurgy ("AusIMM") and the Australian Institute of Geoscientists ("AIG"), the Group Exploration Manager and a full-time employee of the Company. He is also a shareholder of Mineral Commodities Ltd. Ms Hlela and Mr Rashidi have sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons in accordance with the JORC Code (2012). Ms Hlela and Mr Rashidi consent to inclusion in this ASX release in the form and context in which it appears.