



ASX: MRC

28 February 2022

2021 FULL YEAR RESULTS SUMMARY

Mineral Commodities (ASX: MRC) is pleased to announce its final results for the year ended 31 December 2021, with the following highlights:

Operations

- Proactive measures in place to ensure employees' safety and to reduce the social impacts of COVID-19 in our communities. Any infected employees have made a full recovery and returned to work. None of our employee has lost employment or suffered a loss of any direct wages or salary due to the pandemic.

Tormin

- Record ore and overburden production during the year.
- Significant 100% increase in Mineral Resource of the Western and Eastern Strandline to 212 million tonnes at 9% Total Heavy Minerals ("THM") (2020: 106 million tonnes at 12.4% THM), containing 19 million tonnes in situ Heavy Mineral.¹
- Maiden ore reserve for the Tormin Inland Strand of 21.8 million tonnes at 31% THM containing 6.7 million tonnes heavy mineral.²
- MRC and GMA International Resources Pty Ltd ("GMA"), a member of the GMA Group, finalised an offtake agreement for Tormin to supply GMA with 100,000 tonnes of garnet concentrate per annum under a non-exclusive Offtake Agreement commencing from 1 January 2021 for 3 years with automatic annual renewals after that subject to a minimum 6-month termination period and the usual commercial price review/escalation mechanisms.³

Skaland

- Updated Resource at Skaland of 1.84 million tonnes at 23.6% Total Graphitic Carbon ("TGC") (2020: 1.78 million tonnes at 22% TGC) for 434Kt of contained graphite, representing a 10.9% increase in contained graphite.⁴
- Maiden ore reserve for Skaland of 0.64 million tonnes at 24.8% TGC containing 0.159 million tonnes of contained graphite.⁵
- The Company completed down-dip mine development works to level -55m RL, which provides access to circa 3-5 years of ore production based on long term production at Skaland, which has been mined at circa 40Kt of ore annually to produce circa 10Kt of graphite.

¹ ASX Announcement entitled '[Significant Increase in Tormin's Mineral Resources](#)' dated 7 December 2021.

² ASX Announcement entitled '[Maiden Ore Reserve for Tormin Inland Strand](#)' dated 18 February 2022.

³ ASX Announcement entitled '[MRC and GMA Finalise Garnet Agreements](#)' dated 6 April 2021.

⁴ ASX Announcement entitled '[Maiden Ore Reserve and 92% Increase in Measured and Indicated Resources at Traelen](#)' dated 16 November 2021.

⁵ Ibid.

- MRC secured the Hesten and Vardfjellet graphite prospects, located 15km from existing Skaland Graphite Operations and only 4km west of Bukken prospect.⁶

Development

- Successful electrochemical results on Skaland Anode Material that had been purified using a new environmentally sustainable, non-hydrofluoric process developed with Australia's National Science Agency, CSIRO. The results demonstrated that the Skaland Anode Material performed comparably to commercially available reference material in key performance benchmarks of efficiency and capacity.⁷
- The Munglinup Graphite Project, for the second consecutive year, was recognised by the Australian Government as a Critical Mineral Project and is included in the Australian Critical Minerals Prospectus 2021.

Financial

Total revenue of US\$50.5 million

EBITDA of US\$3.8 million

NLAT of US\$3.8 million

Cash balance US\$4.3 million

- Company secured AU\$10.6 million from a placement and fully underwritten rights issue.⁸
- Earnings were below historical performance due to operating losses at Skaland impacted by an unplanned incident shutting the plant, various operational downtimes and higher operating costs at Tormin.

Chief Executive Officer Jacob Deysel commented: "2021 has seen MRC continue to expand its underlying value through increasing its resource bases, announcing maiden reserves at Tormin's Inland Strand and Skaland as well as moving closer to finalising our non-HF anode purification process and achieving graphite anode offtake qualification. We aim to improve financial performance in 2022 through returning to production from an optimised Inland Strand, continuing the stabilisation of Skaland operations and optimising our revenue and cost bases. Our strategic plan, to be released in the March quarter 2022, aims to return MRC to strong profitability while expanding our resources and reserves, which is aimed to see MRC become the largest integrated graphite anode supplier in Europe and a global diversified integrated heavy mineral feedstock producer. We would like to thank our shareholders for their continued support and welcome 2022 as a truly transformational year for MRC."

ENDS

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Authorised by the Chief Executive Officer and Company Secretary, Mineral Commodities Ltd

⁶ ASX Announcement entitled '[MRC Secures Two Additional Graphite Prospects Near Skaland](#)' dated 19 January 2021.

⁷ ASX Announcement entitled '[Successful Electrochemical Results on Skaland Anode Material](#)' dated 15 December 2021.

⁸ ASX Announcement entitled '[MRC secures \\$10.6M in placement and fully underwritten rights issue](#)' dated 5 July 2021.

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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 owner of one of 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 which aims to capitalise on the fast-growing demand for sustainably manufactured lithium-ion batteries.