MAIDEN ORE RESERVE AND 92% INCREASE IN MEASURED AND INDICATED RESOURCES AT TRÆLEN

- **Drilling targeted conversion of down-dip inferred resources into higher resource categories and delivery of maiden Ore Reserve**
- **More than 92% increase in Measured & Indicated Resources from 409 kt to 786 kt for the Trælen Graphite Mine.**
- **Trælen Mineral Resources increased to 1.84 million tonnes at 23.6% Total Graphitic Carbon ("TGC"), containing 434 kt of contained graphite.**
- **Maiden Ore Reserve of 0.64 million tonnes at 24.8% TGC containing 159 kt of contained graphite.**
- **Mineralisation remains open down-dip and the next phase of drilling will commence in Q1-2022 to support production expansion as part of a downstream strategy.**

Mineral Commodities Ltd ("MRC" or "the Company"), through its 90% owned subsidiary, Skaland Graphite AS ("Skaland"), is pleased to announce an update of the JORC Mineral Resource[1] and a maiden Ore Reserve at the Trælen Graphite deposit, the underground ore source for the Skaland Graphite Operation in Norway.

The **Mineral Resource** is estimated at **1.84 million tonnes at 23.6% TGC** in the category of Measured, Indicated and Inferred for **434 kt of contained graphite** at a 10% cut-off. The Company is also pleased to announce a **maiden Ore Reserve of 640 kt at 24.8% TGC** in the category of proven and probable, for **159 kt of contained graphite from the improved categorisation of mineral resources following the recently completed drilling program**.

Both the Mineral Resource and Ore Reserve estimate were prepared under the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, ("JORC Code (2012)") and pursuant to ASX Listing Rule 5.8 and 5.9. In addition to the information contained in the body of this release, please refer to Appendix 1 JORC Table 1 for additional information.

Chief Executive Officer Jacob Deysel said, "*Whilst Trælen has been mined since 2007, it is important to frame the deposit in terms of standards compliant resources and reserves. We have done this with our maiden JORC mineral resources estimate last year, and this update where drilling targeted the conversion of inferred resources. We are very excited to release this maiden Ore reserve and an increase in resources at our Skaland Graphite operation*

[1] Refer ASX announcement entitled "Maiden JORC Resource Estimation for Skaland Graphite Project" dated 12 March 2020.

in Norway, and look forward to further upgrades in 2022 as we target the deeper inferred resources and down-dip resource expansion.

This geostrategic, high-grade graphite ore deposit is the foundation of our battery minerals development strategy in Europe. Skaland is the highest-grade operating graphite mine in the world, but importantly it's 'the' major source of local graphite for the European Economic Area. As we invest in the expansion of this ore body, we invest in our ability to secure this critical raw material for European Battery supply and put ourselves on the pathway to become Europe's first vertically integrated producer of natural graphite anode material."

Background

The Skaland Graphite Operation is located in northern Norway on the island of Senja, with Tromsø the nearest major town, with a population of around 65,000, 70km to the northeast (Figure 1).

Graphite was first discovered in the area in 1870 and production started in 1917. Skaland is understood to be the largest flake graphite producer in Europe and is presently the world's highest-grade operating flake graphite mine. Skaland Graphite AS formerly extracted graphite ore from the Skaland mine which is located directly alongside the existing processing and port infrastructure. Since 2007, ore to the plant has been sourced from the nearby Trælen Graphite Mine.

In October 2019, the Company completed the acquisition of Skaland Graphite AS and secured permitting tenure for a further 10 years. After completing the acquisition of Skaland, the Company has moved quickly to undertake a re-evaluation of the mineral resources in the Trælen Graphite Mine by re-logging, re-sampling and re-assaying of drilling core, to build a 3D block model of the deposit. No previous JORC resource estimation had been undertaken for the Skaland or Trælen deposits. A maiden JORC Code (2012) compliant resource of 1.78 million tonnes at 22% TGC, using a 10% cut-off, in the categories of Indicated and Inferred containing 397 kt of graphite was reported in March 2020[2] for the Trælen deposit.

Figure 1: Location of the Skaland and Trælen Deposits

In March 2021, the Company commenced a 3,000m drilling program, including 17 holes from the existing development on level +25mRL. The drill program targeted the conversion of significant inferred resources down to -100m RL to support an updated Mineral Resources

[2] Refer ASX announcement entitled "Maiden JORC Resource Estimation for Skaland Graphite Project" dated 12 March 2020.

Estimate and the first JORC compliant Ore Reserve Statement at Traelen. Drilling was completed in August 2021.

A mining contractor has been engaged for the down-dip development at Trælen to access down-dip ore at Trælen beneath the already mined out up-dip resources of the deposit[3]. The decline will also provide a platform for additional drilling in 2022 to convert deeper inferred resources and target expansion of the resource base.

UPDATED MINERAL RESOURCE

The Updated Mineral Resource is estimated at 1.84 million tonnes at 23.6% TGC in the Measured, Indicated and Inferred categories for 434 kt of contained graphite using a 10% cut-off. The resource update has been independently peer-reviewed by Wardell Armstrong International.

The Updated Mineral Resource represents an increase of 92% in the total Measured and Indicated resources to 786 kt, from 409 kt in the maiden Mineral Resource in 2020, with approximately 380 kt of inferred resources upgraded. There has also been a 10% increase in the contained graphite resources.

Table 1-Total Mineral Resources for the Trælen Graphite

Category	Tonnes (kt)	Total Graphitic Carbon (TGC) %	Contained Graphite (kt)
Measured	67	30.2	20
Indicated	719	25.2	181
Inferred	1,058	22.0	233
Total	**1,844**	**23.6**	**434**

- 10% TGC cut-off grade used for Trælen Mineral Resource estimate.
- Tonnes and grade numbers may not compute due to rounding.

The Mineral Resource quoted at various cut-off grades as presented below (Table 2) demonstrates the high-grade nature of the deposit as the highest-grade resource for any operating graphite mine in the world, with nearly 78% of the total contained tonnes reporting at 25% TGC at a 20% cut off, and a relatively modest decline in grades and increase in tonnes at cut-off grades below 10%.

[3] Refer ASX announcement entitled "Commencement of Decline Mining at Traelen Graphite Mine" dated 11 June 2021.

Table 2- Resource Table at Various Cut off Grades

Classification	Cut Off	Tonnes	TGC (%)	Contained Total Graphitic Carbon (Tonnes)
TOTAL	**20**	**1,429,477**	**25%**	**364,213**
	17.5	1,661,071	25%	407,918
	15	1,766,278	24%	425,222
	12.5	1,795,624	24%	429,281
	10	**1,843,662**	**24%**	**434,541**
	7.5	1,914,088	23%	440,717
	5	1,960,682	23%	443,685

- Refer to JORC table 1- section 3 for full table.

The 2021 drill program targeted conversion of inferred resources from the pre-existing development level at +25mRL. The deposit is open at depth and there are also several promising side lenses that require further drilling. The 2022 drill program will use the decline currently in development to target the deeper inferred resources and resource expansion.

A summary of the Updated Mineral Resource estimate is provided below:

Geology and Geological Interpretation

The Trælen deposit lies on the northern tip of the Skaland peninsula and consists of two main and related lithological units. The tectono-stratigraphically lower unit is a banded gneiss with alternating biotite rich and granitic bands (locally termed "Trælen Gneiss") and an upper unit that consists of amphibolitic gneiss. These are heterogeneous hornblende gneisses with graphite horizons, possibly metamorphic greywacke, and calciferous rocks. Both units contain granitic orthogneisses, possibly due to the partial melting of the surrounding rocks. The graphite found in the upper unit is assumed to be primarily syngenetic and later exposed to tectonic activity leading to its present textural, mineralogical, geochemical, and geometric characteristics. The mineralised horizon is isoclinally folded and the thickest, most continuous mineralisation occurs as lens shaped bodies oriented parallel to the main fold axis. This horizon contains the most economically interesting instances of graphite at Trælen and can vary between centimetres and up to 25m thick. There are minor exploration targets to the south and west of the current Trælen Deposit, representing either a further fold of the same horizon or a second mineralised horizon.

The rocks in the area have been exposed to at least three phases of folding and deformation with the last folding phase responsible at Trælen with a fold axis dipping 30 to 90 degrees towards the west–northwest. The existence of hypersthene, signs of partial melting, migmatisation and the occurrences of course grained flaky graphite all indicate high temperature metamorphism. The thicker, domainable zones of the graphite mineralisation are named the Boye North Shoot, Boye South Shoot (termed for their relative positions to each other), the VLF or Northeast Shoot and an unnamed second northeast shoot ("NE2"). The Northeast Shoot was named as such due to occupying a location to the northeast of the mine workings, where it was identified at the 85mRL and above.

Drilling Techniques and Hole Spacing

A total of 17 infill diamond holes have been drilled in the current program by an underground rig - Diamec Smart 6, with a core diameter of 47.6mm NQ2. The program has been designed to provide sufficient geological and assay data to allow for an update to the JORC Mineral Resource. It targeted inferred resources in the deeper sections of the Boye North Shoot (100 shoot) and the Boye South Shoot (200 shoot).

Previously, two types of drilling have been conducted at Trælen, diamond drillholes (both from surface and underground) and shorter rotary probe (sludge) boreholes, all drilled from underground, which was included a total of 133 holes have been drilled, 93 diamond holes and 40 probe holes. The total metres drilled is 16,540m, comprised of 15,531m diamond drilling (average 167m, minimum 36m, maximum 435m) and 1,009m of probe drilling.

Table 3 – Drill summary supporting the updated Trælen mineral resource estimate

Year	Diamond Drillholes	Metres	Probe Drilling	Metres
Pre-2021	93	15,531	40	1,009
2021	17	2,929	-	-
Total	**110**	**18,460**	**40**	**1,009**

Sampling and Sub-Sampling Techniques

All significant graphite bearing intersections in the diamond core have been sampled by splitting the core longitudinally, with the mineralised zone sampled every metre except for the boundaries, where a longer or shorter interval was taken.

Sample Analysis Method

All collected samples have been assayed at the ALS laboratory in Sweden (ALS Scandinavia) to complete the preparation and assaying. The 415 samples submitted to the ALS have been analysed for Total Graphitic Carbon ("TGC"), Total Carbon ("TC"), Total Sulphur ("TS") by LECO furnace and infrared spectroscopy. In addition, duplicates, blanks and CRMs have been inserted randomly for at least every 20 samples for QA/QC purposes. In general, all QA/QC indicated good to moderately good performance.

Furthermore, 21 samples have been assayed for 48 rock forming elements using HF-HNO_3-$HClO_4$ acid digestion, HCl leach, a combination of ICP-MS and ICP-AES. This was done on a selection of graphite bearing and non-graphite bearing samples to help identify the general rock chemistry and geo-environmental purpose.

Estimation Methodology and Resource Classification

The Mineral Resource estimation involved the use of drillhole and geological mapping data to construct three dimensional wireframes to define the mineralised domains. Samples were selected inside these wireframes, coded and composited. Boundaries were treated as hard with statistical and geostatistical analysis conducted on the composites identified in individual domains. Grades were estimated into a geological block model representing each mineralised domain. The TGC Grade estimation was carried out by Ordinary kriging using Dynamic Anisotropy based on a structural trend model for the main lode, where data density allowed for robust variography modelling, and inverse distance for the other, more minor lodes. Flake size estimation was completed using the inverse distance for all lodes. The result of the flake size estimation is presented in Figure 2.

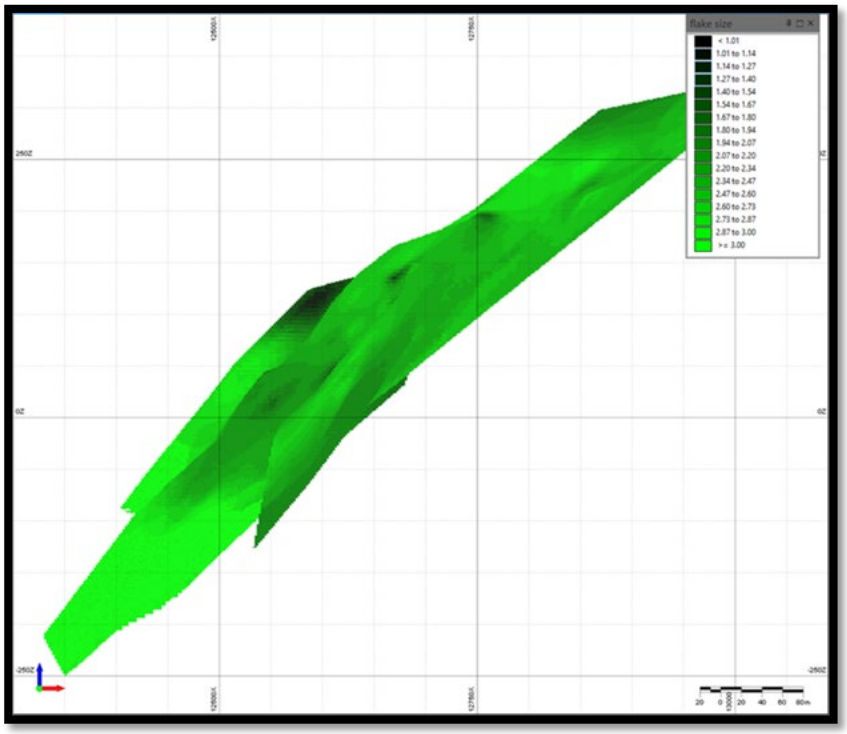


Figure 2: Flake Size Estimation, 1= Fine, 2=Medium, 3=Coarse (Looking North), more than 90% of blocks have a flake size code with overall mean of 2.6 indicating a reasonable level of consistency.

Zones of the Trælen deposit in close proximity to mining have been drilled to 40x20m spacing, closer in places due to the nature of fan drilling, which is considered to be sufficient for classification of an Indicated Resource. Where recent mining development has taken place, with underground face mapping and sampling, the high geological confidence has allowed for some Measured resources to be defined. A cross-section of the Resource Classification on 100 Shoot is presented in Figure 3.

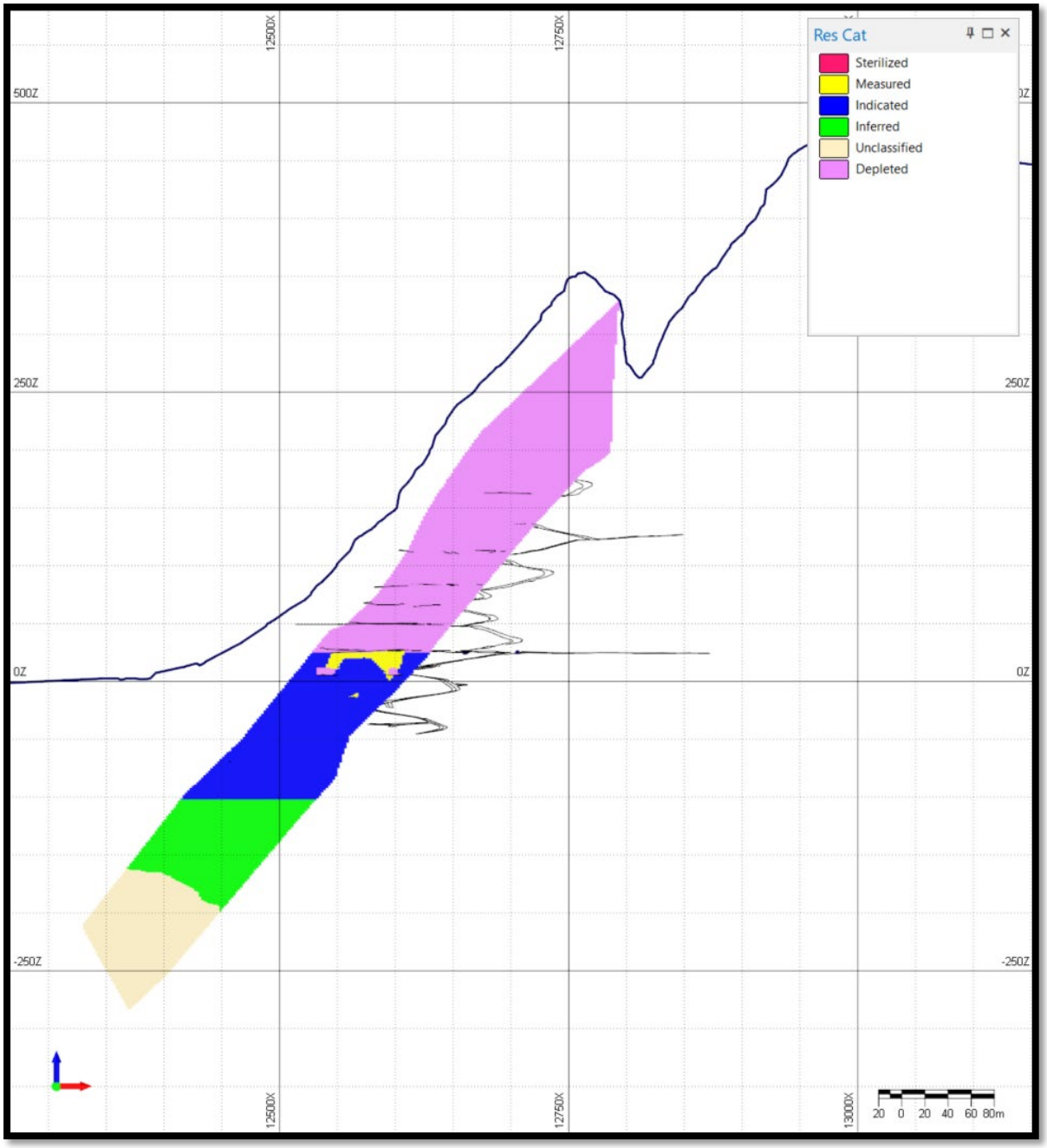


Figure 3: Resource Classification on 100 Shoot – The purple colour represents the mined out and skin depleted resources, and the current development on the +5mRL and -15mRL drives.

Cut-off Grades

The Mineral Resource quoted at various cut-off grades as presented below.

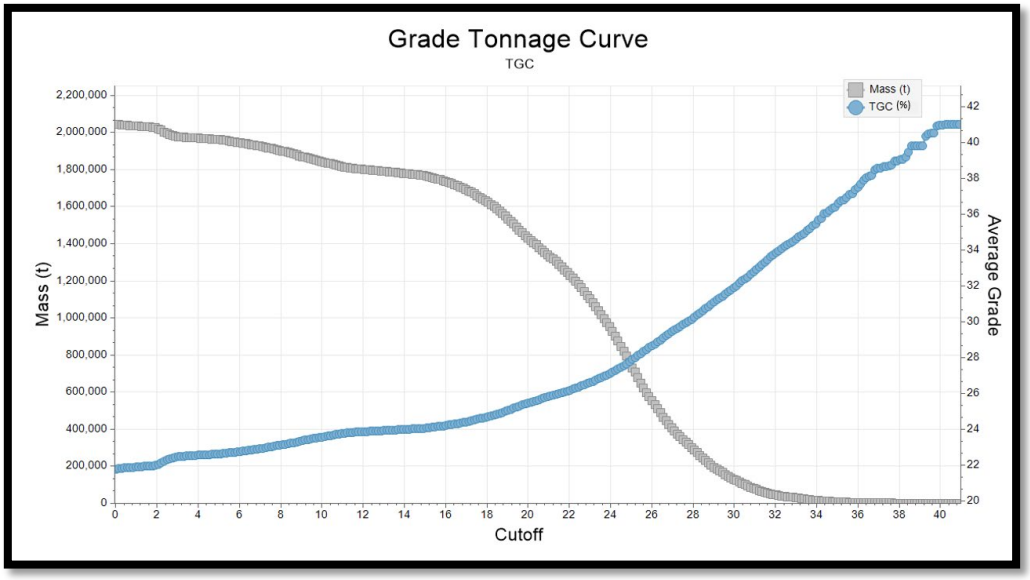


Figure 4- The Traelen Mineral Resource Grade -Tonnage Curve

A 10% TGC cut-off grade, based on the economic criteria established by the ongoing Skaland operations, was applied to any mineralised exploration intersections and final resource reporting.

Mining and Metallurgical Methods and Parameters

The mining in down-dip ore is essentially a mirror of the up-dip mining. Mining is being conducted by the long hole open stoping in a top-down sequence and targeting resources between levels +5m to -115m (below sea level). The level height is 20m with ore extraction from the bottom of each level.

A summary of the Mineral Resource statement is shown in Table 1 as defined by the JORC Code (2012).

MAIDEN ORE RESERVE

The Trælen Graphite Mine is operational and the existing financial model of the operation has been used as the basis to estimate the Ore Reserve. The Proven and Probable Ore Reserve was estimated from the Mineral Resource after consideration of the level of confidence in the Mineral Resource and the consequence of relevant modifying factors. Maiden Ore Reserve is estimated at 0.64 million tonnes at 24.8% TGC in the category of proven and probable containing 159 kt of contained graphite by using 10% TGC cut-off grade (Table 4).

Table 4 - Total Maiden Ore Reserves of Trælen Graphite

Category	Tonnes (kt)	Total Graphitic Carbon (%)	Contained Graphite (kt)
Proven	55	27.8	15
Probable	585	24.6	144
Total	**640**	**24.8**	**159**

- Ore Reserve was estimated using a 10% TGC cut-off grade
- Ore reserves are a sub-set of Mineral Resources.

At current concentrate production rates this represents approximately 13 years of production. However, the Company is evaluating options for expanding Skaland's Reserves, processing and production rates and mine life more generally. This will be supported by further drilling and Resource and Reserves updates in 2022.

The key information below supports the Ore Reserve:

Material Assumptions

The Trælen Graphite Mine has been in operation since 2007. Development of a decline to access down-dip resources commenced in June 2021, with completion expected in November. The current operations demonstrate that the mine planning underpinning the Ore Reserve is technically achievable and economically viable. Material assumptions applied for the Trælen maiden Ore Reserve include:

- Capital and operation costs as derived from the Company's long-term estimates.
- Graphite prices based on MRC's price forecasting protocols were used for the optimisation.
- Ore dilution in the mining operation and metallurgical performance adapted to reflect the Skaland operation.
- Geotechnical design and hydrogeological factors.

Criteria Used for Classification

Mineral Resources have been released in accordance with the JORC Code (2012) and independently peer reviewed by Wardell Armstrong International Ltd. Measured and Indicated Mineral Resources were used to form the basis of the Ore Reserves according to the JORC Code (2012). Micromine software was used for the mine planning. All the Mineral Resources intersected by the mine design, and classified as Measured, were classed as Proved Ore Reserve, and Indicated portion of the Mineral Resources as Proved Ore Reserve after consideration of the mining, metallurgical, and financial aspects of the project. There are no Inferred Resources included in the Ore Reserve statement.

Mining Method and Mining Assumptions

Mining is conducted by long hole open stoping in a top-down sequence and targeting resources between levels +5m to -115m (below sea level). The level height is 20m with ore extraction from the bottom of each level.

A 15m crown pillar has been left in place between the existing (up-dip) mining void and the down-dip development. The existing up-dip mining voids will be filled with mine waste from the down-dip development, eliminating waste deposition outside Traelen. The mining concept is essentially a mirror of the up-dip mining, changing from the bottom-up to top-down progress. The decline will be the main access to the production levels.

Combined geotechnical, bathymetry and hydrological assessment also indicates a low risk of seawater ingress into the below sea level development.

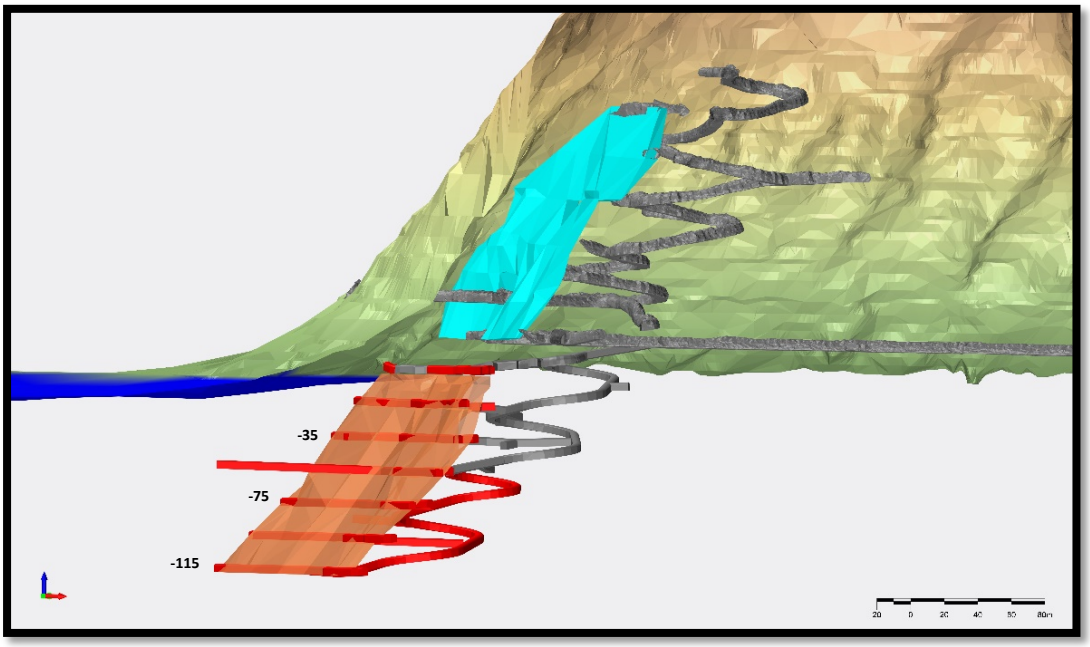


Figure 5- Long section of underground development design, existing development, and mine (grey) and underdevelopment/ planned mine (red)

The Life of Mine ("LOM") planning has identified 640 kt of ore down-dip between +5m and -115m, with additional resources in and above the current workings and below -115m. The Mine planning provides 13 years of mining at a 10 ktpa concentrate production rate. The Trælen graphite deposit is open at depth and plausible side lenses exist to support further expansion. It is noteworthy that the operations at 10 ktpa have been considered as a base case and the Company is evaluating an increase of the production capacity to 16 ktpa by mid-2023.

The Company commissioned mining contractors in February 2021 to fast-track down-dip ore delivery by developing the new decline at Trælen. The first mining operations commenced from the decline in June 2021 with blasting of the first ore face from the newly completed decline. The initial down dip decline development targets the resources down to -55m (below sea level), providing flexibility in ore sourcing and blending. Further decline development will be aligned with the mine plan.

The mining schedule is only estimated on Measured and Indicated Mineral Resources reported in accordance with the JORC Code (2012) with detailed mine designs and mining equipment determined from qualified engineers and mining contractors.

Processing Method and Processing Assumptions

The graphite ore is transported by road to a Run-of-Mine (ROM) ore bin at the process plant from the Traelen Graphite Mine. The Skaland process plant, located on the quayside adjacent to the old Skaland Mine, processes the graphite ore through conventional graphite processing methods include crushing, grinding, flotation, filtering and drying. However, conventional graphite flotation collectors (diesel or kerosene) are not used at Skaland due to fjord disposal of tailings, with just MIBC used as a frother. Consequently, the primary grind for Skaland ore is relatively fine to prevent graphite losses to coarse composites. After primary grinding and rougher flotation, the ore undergoes three stages of attrition milling and cleaner flotation (with multiple sub-stages for each cleaner). The processing plant has a recovery of >91% of the graphite in the feed.

The concentrate is dewatered, dried, screened and blended to meet the customer specifications Four general final products are produced, including flake (+280 microns), medium (+150 to -280 microns), fine (+90 to -150 microns), and powder (-90 microns). The bagged product is dispatched for shipment predominately from the adjacent quay (Table 5).

Table 5- Overview of Production at Skaland Graphite Operation

Product Category	% of Production	Product Grade (%C)
Flake	26.2	97.9
Medium	8.4	95.5
Fine-Medium	28.4	91.8
Powder	35	84.9
Specials	2	90

The Company is undertaking process improvements to upgrade the finer fractions to at least a conventional 94- 97% grade. The higher-grade fines concentrate will increase the overall concentrate basket price and form the ideal feedstock for the downstream value-adding, including the production of Battery Anode Materials.

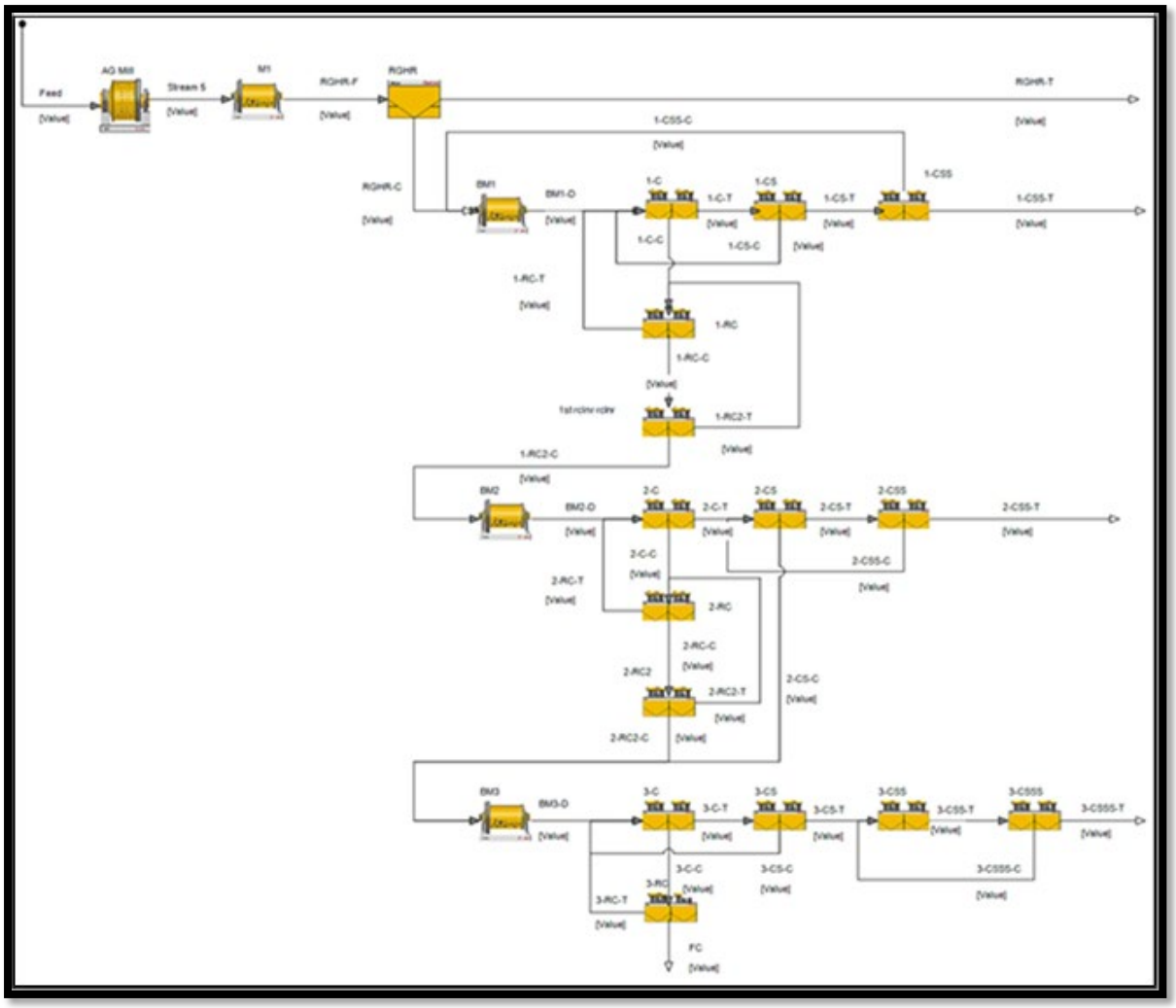


Figure 6- Schematic Image of the Flotation Circuit at the Skaland Process Plant

Basis of the Cut-Off Grade

The Mineral Resource is reported to a 10% TGC cut-off grade in accordance with the JORC Code (2012). The Ore Reserve is based on a value model that assigns mining and processing recoveries, costs and revenue to the geological model. This value model follows the entire mining process. An economic optimisation is applied to determine the blocks with positive cash flow per tonne are designated ore, and negative blocks designated waste.

Estimation methodology

The Mineral Resource for the Traelen deposit has been classified into Measured, Indicated and Inferred categories. The Mineral Resource estimation involved the use of drillhole and geological mapping data to construct three-dimensional wireframes to define mineralised domains using Micromine software. The boundaries were treated as hard with statistical and geostatistical analysis conducted on composites identified in individual domains. The grades were estimated into a geological block model and TGC grade estimation was carried out by ordinary kriging based on a structural trend model for the main lode, where data density allowed for robust variography modelling and inverse distance for the other lodes. Flake size estimation model was built by inverse distance for all lodes.

Parent block size was 8mx4mx2m, with sub-blocking down to a quarter of this to reflect domain boundaries closely for the Ore Reserve estimation. Micromine optimisation tools were used for optimisation and mine planning. Mining recovery of 90% was applied for stopes and mining dilution was assumed 10% due to the mining method.

Material Modifying Factors

The Skaland operations are not new, and all regulatory approvals and licences have been granted and necessary environmental permits required to operate the mine and process plant are in place. The Skaland Graphite AS operating licence for the Trælen Mine was renewed in May 2019 for a duration of 10 years. The Company was granted permission to increase production up to 16,000t of graphite concentrate per year, subject to the discharge of no more than 40,000t of tailings to sea per year. All regulatory approvals have been granted.

All the infrastructure requirements for the project already exist at the Skaland site. The local community is familiar with the mining, ore transport, processing, and product transport operations in the district. The graphite concentrates are directly shipped from Skaland quayside adjacent to the processing plant for export or transported through road freight to European customers.

Marketing arrangements are commercially sensitive with price assumptions based on fixed price, volume contracted sales agreements and commercial negotiations.

Some of the modifying factors, such as operating cost estimates, have been derived from a combination of Skaland operations information, budget quotations and estimates. The key financial metrics are:

- Pre-tax project NPV @ 7% discount rate of US$51.4M.
- Post-tax project NPV_7 of US$ 38.3M.
- Base case of 10 ktpa operation over 13 years with development capital cost of approximately US$ 1.2M.
- LOM revenue of US$288M and EBITDA of US$73M.
- Annual averages:
  - Processing cost of US$3.8M.
  - EBITDA of US$5.1M.
- The sale price assumptions:
  - Flake product– US$1100 per tonne.
  - Medium product– US$800 per tonne.
  - Fine-Medium product– US$680 per tonne.
  - Powder product– US$510 per tonne.
  - Special product– US$770 per tonne.
  - Micronised product– US$2400 per tonne.

Refer to the JORC Table 1- section 4 for the Ore Reserve statement explanatory note.

Future Work

The deposit is open at depth beyond the planned development levels and there are also several promising side lenses that require further drilling. The Company intends to commence the next drilling program in Q1-2022 to upgrade the current resource and will target delineating a JORC Code (2012) compliant update Mineral Resource and Ore Reserve.

END

Issued by Mineral Commodities Ltd ACN 008 478 653 www.mineralcommodities.com.
Authorised by the Chief Executive Officer and Company Secretary, Mineral Commodities Ltd.

For inquiries, please contact:

INVESTORS & MEDIA
Peter Fox
Group Corporate Development Officer
T: +61 8 6373 8900
investor@mncom.com.au

CORPORATE
Fletcher Hancock
Group Legal Counsel & Company Secretary
T: +61 8 6373 8900
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 battery minerals sectors.

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.

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.

In October 2021, the Company announced the next step in its graphite vision to form Europe's first vertically integrated sustainable graphite anode business, Ascent Graphite. Ascent Graphite will be a European supplier of high quality, low emission, sustainably manufactured, graphite active anode material to meet the fast-growing demand for sustainably manufactured lithium-ion batteries.

The planned development of the Munglinup Graphite Project, located in Western Australia, builds on our European developments 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.

Competent Person Statement

The information in this Announcement related to Mineral Resources is based on information compiled and approved for release by Mr Bahman Rashidi, who is a member of the Australian Institute of Mining and Metallurgy ("AusIMM") and the Australian Institute of Geoscientists ("AIG"). Mr Rashidi is the Group Exploration Manager and a full-time employee of the Company. Mr Rashidi is also a shareholder of Mineral Commodities Ltd. He has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person in accordance with the JORC Code (2012). The information from Mr Rashidi was prepared under the Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code (2012)"). Mr Rashidi consents to the inclusion in this ASX release in the form and context in which it appears.

The information in this Announcement related to Ore Reserve is based on information compiled and approved for release by Mr Eero Tommila, who is a member of the Institute of Materials, Minerals, and Mining ("IMMM") a Recognised Professional Organisation ("RPO"). Mr Tommila is Principal Mine Engineer of Skaland Graphite AS and a fulltime employee of the Company. He has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity he is

undertaking to qualify as a Competent Person in accordance with the JORC Code (2012). The information from Mr Tommila was prepared under the Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code (2012)"). Mr Tommila consents to the inclusion in the report in the form and context in which it appears.

Cautionary Statement

This report may contain 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 several factors could 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, which 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, regulatory risks, operational risks, reliance on key personnel, Ore Reserve and Mineral Resource estimates, foreign currency fluctuations, exploration risks, mining development, construction, and commissioning risk.

The Ore Reserve discussed herein is based on existing financial model of operation at the level of a feasibility study (FS). MRC considers all the material assumptions to be based on reasonable grounds. The production targets underpinning financial forecasts included in the financial model consist of only Measured and Indicated Resources that used for the Ore Reserve over the Life of Mine. No exploration target material has been included in the economic valuation or production target.

Forward-looking statements in this report apply only at the date of issue. 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 report 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 report.

JORC Code, 2012 Edition – Table 1 Report

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code (2012) explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where "industry standard" work has been done this would be relatively simple (eg "reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay"). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• The current resource update is based on 17 aircore holes, representing 2,929m, and 415 analysed samples. This data, added to database of maiden Mineral Resource Estimate reported on 12 March 2020, consists of 133 holes, 93 diamond holes and 40 probe holes, representing 15,531m of drilling and 1,245 analysed drill samples. • Diamond drilling mineralised zones were sampled every metre except for boundaries, where a longer or shorter interval was taken. Unmineralised core was not sampled unless zone of unmineralised host rock around the mineralisation that sampled in a few holes. • Sampling method is by core saw half core sampling of diamond drill core. • Pre-numbered calico bags used for samples ~4kg each. • Samples were submitted directly to ALS laboratory to be analysed for TGC, TC and TS.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Epiroc underground rig - Diamec Smart 6 has been used. All diamond drilling is NQ sized. • Core diameter is approximately 47mm. • Diamond drillholes drilled from underground have been downhole surveyed by electronic multi-shot survey tools at intervals of 3.0m. • Azimuths were measured for each hole.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• No sample loss or cavitation was experienced. • Sample recovery was very good. • A sampling bias has not been determined.

Criteria	JORC Code (2012) explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Each hole was logged by a geologist on pre-printed log sheets. • Geological and lithological observations per depth were recorded together with field sections and hand drawn down-the-hole logs. • Special attention was given to graphite intersected. • All diamond drillholes have been photographed in both dry and wet states.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Diamond core has been split longitudinally with core saw and half core sampled. • Duplicates have been sampled sporadically using the remaining half of the core. • Samples was sent to the ALS laboratory in Sweden (ALS Scandinavia) to complete the preparation and assaying. • ALS Scandinavia ("ALS") prepares the sample by crushing, weighing, drying, fine crushing the entire sample to >70% passing 2mm, rotary splitting to 250g using a Boyd Rotary Splitter and finally pulverising the split to >85% passing 75µm. • The sample sizes are considered appropriate for the type of mineralisation under consideration.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• All samples were resubmitted to ALS to analyse both TC and TGC as well as TS by LECO furnace and infrared spectroscopy. • In these additional assays, duplicates, blanks and standard reference material ("CRM") has been inserted every 20 samples. • 5 samples have been assayed for 48 rock forming elements using HF-HNO3-HClO4 acid digestion, HCl leach and a combination of ICP-MS and ICP-AES. This was done on a selection of graphite bearing and non-graphite bearing samples to help identify general rock chemistry and impurities. • The CRM, blank and duplicate sample results are within accepted limits. • No geophysical tools or handheld instruments were utilised in the sample analysis.

Criteria	JORC Code (2012) explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• TGC values are reasonably consistent, but the integer representing logged flake size can vary on a short scale. • No specific twinned holes have been drilled. However, closely spaced drillholes were reviewed for short scale variability. • The drillhole logs have been converted to electronically stored formats and stored in a database provided by Maxgeo (DataShed). This database is hosted on an offsite server supplied by Maxgeo and managed by their trained database staff.
Location of data points	• *Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Diamond drillholes have been surveyed using routine underground surveying methods (including Leica Total Station). • The project lies in UTM zone 33. • Downhole surveys applied for the underground diamond drillholes, and these have typically been surveyed every 3m. • Underground surveys are accurate for collar positions.
Data spacing and distribution	• *Data spacing for reporting of exploration results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drillholes were located in two drilling pads in fan. • Spacing becomes variable due to the fanned nature of the holes. • 20x20m is appropriate for the size and shape of the mineralisation. • Through the main graphite zones, nominal 1m sampling has been applied where appropriate and sampled to geological boundaries elsewhere.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The drillhole orientation is considered appropriate with the drillholes being drilled as close to perpendicular to the interpreted strike of the geological units and graphite mineralisation as possible. • Drill spacing and orientation are close to perpendicular in the centre of the mineralised domains and becomes more oblique as the drillholes target down-dip.
Sample security	• *The measures taken to ensure sample security.*	• External laboratories have significant chain of command documents due to shipping the samples internationally.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The lab results and logging have been reviewed externally by a consultant to Skaland Graphite AS and internally as part of normal validation processes by MRC.

Section 2 Reporting of Exploration Results

(Criteria in the preceding section apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• According to the Norwegian Minerals Act, graphite is owned by the landowner. • The Trælen Mine lies on cadastral numbers (property numbers) 5421-306/1, 5421-306/2, and 5421-307/1. An agreement with the local landowner is in place and covers access (5421-306/1and 5421-306/2) and mining (5421-307/1). • All licences, permits and rights are granted in the name of Skaland Graphite AS, a subsidiary of ASX listed Mineral Commodities Ltd (ASX: MRC). • Skaland Graphite AS also owns three properties (5421-310/13, 5421-310/108 and 5421-310/164) which cover the current process plant, an old residence, an access road and the old Skaland Mine site. Skaland Graphite AS also owns 5421-310/1/28 and 5421-310/13/5 which comprise the wharf and hardstand area and have been leased back to the Berg Municipality. • Skaland Graphite AS has also leased 5421-310/1/19, 5421-310/1/24 and 5421-310/1/27on which the current main office building and car park are located. • The Skaland Graphite AS operating licence for the Trælen Mine was renewed on 28 May 2019 for a duration of 10 years. • The Company was granted permission to increase Production to 16,000t of graphite concentrate per year, and the discharge of 40,000t of tailings to sea per year. The licence issued on 28 June 2019 replaced the previous production licence of 24 January 2002 and discharge permit of 25 July 2019. • To the knowledge of Competent Person, all licences and permits are in good standing with no known impediments.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Exploration dates back to 1870 when graphite was first discovered in the area. • The Geological Survey of Norway has conducted extensive regional-scale exploration including geochemistry and geophysical surveys.

Criteria	JORC Code explanation	Commentary
		• Six drillholes were completed in 1985, followed by a Pre-Feasibility Study of the Trælen deposit conducted in 1998. • In 2001 an additional drilling program was undertaken that comprised 15 drillholes for a total length of 2,103m. All holes intersected high grade graphite in the Boye-vein and 5 holes also intersected high grade graphite in the VLF-vein, which indicated a significant addition to the 1998 estimation. • In 2002, based on a total of 35 drillholes, two ruler shaped mineralised bodies, or veins, were drill indicated and a Mineral Resource evaluation completed to estimate the contained tonnes and carbon in graphite grade. • By 2017, a total of 101 drillholes had been completed and comprised 40 probe holes for a total of 1,009m and 61 diamond holes for a total of 7,506m.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Trælen deposit lies on the northern tip of the Skaland peninsula and consists of two main and related lithological units. The tectono-stratigraphically lower unit is a banded gneiss with alternating biotite rich and granitic bands (locally termed "Trælen Gneiss") and an upper unit that consists of amphibolitic gneiss. These are heterogeneous hornblende gneisses with graphite horizons, possibly metamorphic greywacke, and calciferous rocks. Both units contain granitic orthogneisses, possibly a result of partial melting of the surrounding rocks. Quartz diorites and different types of pegmatites occur as well, forming discontinuous intrusions. • The graphite found in the upper unit is assumed to be primarily syngenetic and later exposed to tectonic activity leading to its present textural, mineralogical, geochemical, and geometric characteristics. • The mineralised horizon is isoclinally folded and the thickest, most continuous mineralisation occurs as lens shaped bodies oriented parallel to the main fold axis. This horizon contains most economically interesting instances of graphite at Trælen and can vary between centimetres and up to 25m thick. There is minor graphite found in faults and along shears. There are minor exploration targets to the south and west of the current Trælen Deposit, which may represent either a further fold of the same horizon, or a second mineralised horizon.

Criteria	JORC Code explanation	Commentary
		• The rocks in the area have been exposed to at least three phases of folding and deformations. D1 developed the main foliation, D2 is responsible for the majority of the large scale folding structures in the region and D3 which is the last folding phase responsible at Trælen for the folds with a fold axis dipping 30 to 90 degrees towards west-northwest.

Drillhole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all material drillholes:*
	  ○ *easting and northing of the drillhole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• 17 diamond holes have been drilled for this updated mineral resource.
		• Diamond drillholes = 15,531m (average 172m, min 98m, max 231m).
		• East collar ranges – 12,659mE to 12,706mE.
		• North collar ranges – 1,281,490mN to 1,281,503mN.
		• Collar elevation ranges – 23mRL to 25mRL.
		• Azimuth ranges – the strike of the mineralised zones ranges from 290° to 85°. Drill sections are orientated perpendicular to the general strike of the mineralised zones.
		• Dip ranges – the dip of the mineralised zones ranges from 55° to 75°. Drillholes are generally inclined to intersect perpendicular to the mineralisation.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No individual Exploration Results are reported. • No (high-grade) top cutting was used during the Mineral Resource estimation process. A statistical review of the assay data is outlined in the main body of the report. • No metal equivalent equations were used during the Mineral Resource estimation procedure or reporting. • Samples were composited to 1.0m lengths during the Mineral Resource estimation procedure to ensure a consistent level of support during the estimation process.
Relationship between mineralisation widths and	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true*	• The strike of the mineralised zones ranges from 290° to 85°. Drill sections are orientated perpendicular to the general strike of the mineralised zones where possible. • The dip of the mineralised zones ranges from 55° to 75°. Drillholes are generally inclined to intersect the mineralisation at appropriate angles to limit sampling bias.

Criteria	JORC Code explanation	Commentary
intercept lengths	*width not known').*	• Any reported mineralisation intercepts are downhole widths and not true widths, which are unknown at this time.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Appropriate maps, sections and data tabulations are included in the main body of the report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Statistics of drillhole grades used during the Mineral Resource estimate are contained in the main body of the report. • This report provides the total information available to date and is considered to represent a balanced report.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• A substantial amount of work has been completed at the Project by historic explorers dating back to 1870. Work has included geophysical surveys, soil sampling, diamond and probe drilling. • A Pre-Feasibility Study for the Trælen deposit was prepared in 1998 following the drilling of 6 drillholes in 1985. • Significant geophysical studies have been done by NGU. • 50 drillholes were completed in 2001 and 2002 that culminated in a Mineral Resource evaluation completed to estimate the contained tonnes and carbon in graphite grade.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further drilling is planned for Q1-2022 to unlock the full potential of deposit.

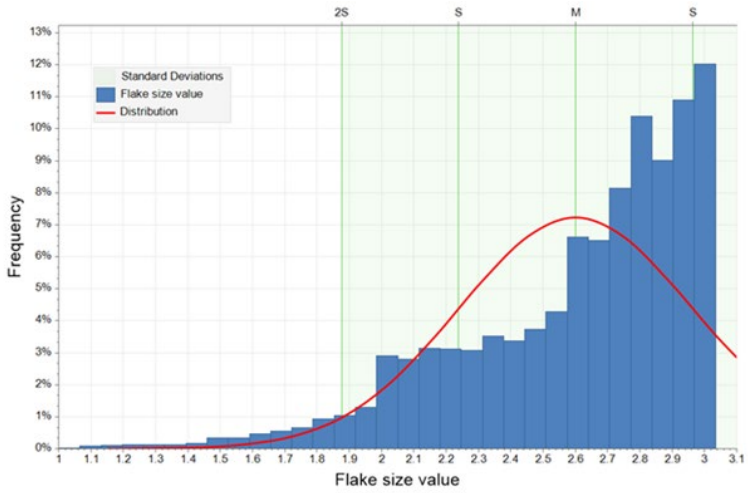
Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• Data is stored in an offsite database hosted by Maxwell Geoservices. • Visual validation of results against logs and in a spatial context have been undertaken. • Any discrepancies or errors were either corrected or the results rejected. • Downhole survey was checked for significant deviation. No issues were identified. • Assay were checked for anomalies between geology and TC, and TGC grade. No anomalies were identified. Drill cores with no sample assays were inserted with zero grade.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The Competent Person is currently a full-time employee of Mineral Commodities Ltd. • No site visits were undertaken for this resource estimate due to COVID-19 travel ban, although the Competent Person did visit the project previously and is familiar with the site and resource conditions.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• Confidence in the interpretation of the Trælen stratigraphy is considered to be high given domain interpretation was completed with a consideration for geological logging, geochemical data and surrounding holes. • Graphite is distinct geochemically and visually compared to the host rocks and is defined using lithological logging. • Domaining fits well with previous geological investigations of the overall architecture of the mineralisation. • Major faulting may cause a break in domains to the east of the main mineralised zones, but lack of data around this fault has made it difficult to confidently interpret its affect. • Domaining has been done manually, and as such, no major interpretation artefacts exist. • Wireframe solids and surfaces of the Domains act as hard boundaries during estimation for the mineralisation.

Criteria	JORC Code explanation	Commentary
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The mineralised shoots consist of four 2-20m wide moderately plunging shoots, folded around a moderately plunging double anticline system – **100 Shoot:** ○ Length: 725m ○ Width: 80-160m ○ Depth to surface: +330m to -250m below sea level, from 0m to 75m inside mountain – **200 Shoot:** ○ Length: 190m ○ Width: 55m ○ Depth to surface: +140m to -130m below sea level, from 10m to 50m inside mountain – **300 Shoot:** ○ Length: 310m ○ Width: 30m ○ Depth to surface: +140m to -60m below sea level, from 100m to 130m inside mountain – **400 Shoot:** ○ Length: 268m ○ Width: 50m ○ Depth to surface: +140m to -150m below sea level, from 20m to 100m inside mountain
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen, include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of byproducts.* • *Estimation of deleterious elements or other non-grade variables of*	• Ordinary kriging using a structural trend model was used for estimation of the folded 100 Shoot, while inverse distance was used for estimation of the other, minor shoots where robust variography was not able to be robustly modelled. • 1m composites were used for the estimation. • No top-cuts were applied as outlier analysis indicated any high assay values were part of a normal distribution, and as such were not outliers. • Parent block size was 8mx4mx2m, with sub-blocking down to a quarter of this to reflect domain boundaries closely. Estimate was applied into all blocks. Block size was based around the dimensions of the ore body, and drillhole spacing that was between 5m and 50m.

Criteria	JORC Code explanation	Commentary
	economic significance (eg sulphur for acid mine drainage characterisation). • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drillhole data and use of reconciliation data if available.*	• Domain boundaries were treated as hard during estimation. • Anisotropic search distances were used for the minor lodes, with directions of major and semi major axes based on domain wireframe orientations. • Micromine software was used. • A nearest neighbour estimate was run as a check and validated well against the OK/ ID2 model. Previous estimate was also used as a check. • No byproducts are present. • No deleterious elements have been estimated. • Estimate was visually checked against raw assays. • Discretisation of 3x3x3. • Maximum search distance of 150m. • Maximum composite points per block – 10. • Minimum points per block – 3. • Octant searching was used. • Validation of the final resource has been carried out in a number of ways, including: – Visual validation - comparing block model estimated grade against drillhole by section. – Statistical validation - comparing statistically by domain, wireframe and block model grades versus sample and composite grades. – Swath plots - graphical display of the grade distribution to compare the grade within these bands of the composite samples and the block estimated grades. – Reconciliation - compare the estimated Mineral Resource inside the north and south stope outlines against production records. • All modes of validation have produced acceptable results. • Flake size estimation was completed using inverse distance for all lodes. Flake size estimation code, 1= Fine, 2=Medium, 3=Coarse has been used and more than 90% of blocks have a flake size code with overall mean of 2.6 indicating a reasonable level of consistency.

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td> 
</td></tr>
<tr><td>Moisture</td><td>• Whether the tonnages are estimated on a dry basis or with natural moisture and the method of determination of the moisture content.</td><td>• All tonnes and grades are on a dry basis.</td></tr>
<tr><td>Cut-off parameters</td><td>• The basis of the adopted cut-off grade(s) or quality parameters applied.</td><td>• The current reported resource was declared at a cut-off grade of 10% , based on the economic criteria established by the ongoing mining Skaland operations.
• The mineral resource quoted at various cut-off grades (COG) is presented in the table below:
<table>
<tr><th colspan="5">Resource Table at Various Cut off Grades</th></tr>
<tr><th>Classification</th><th>Cut Off</th><th>Tonnes</th><th>TGC (%)</th><th>Contained Total Graphitic Carbon (Tonnes)</th></tr>
<tr><td rowspan="5">Measured</td><td>20</td><td>67,045</td><td>30%</td><td>20,258</td></tr>
<tr><td>17.5</td><td>67,056</td><td>30%</td><td>20,260</td></tr>
<tr><td>15</td><td>67,056</td><td>30%</td><td>20,260</td></tr>
<tr><td>12.5</td><td>67,056</td><td>30%</td><td>20,260</td></tr>
<tr><td>10</td><td>67,056</td><td>30%</td><td>20,260</td></tr>
</table></td></tr>
</table>

Criteria	JORC Code explanation	Commentary				
			7.5	67,056	30%	20,260
			5	67,056	30%	20,260
			0	67,056	30%	20,260
		Indicated	20	662,981	26%	171,209
			17.5	699,943	25%	178,244
			15	711,658	25%	180,183
			12.5	715,469	25%	180,710
			10	719,056	25%	181,115
			7.5	721,880	25%	181,367
			5	722,960	25%	181,439
			0	723,528	25%	181,461
		Inferred	20	699,451	25%	172,746
			17.5	894,072	23%	209,413
			15	987,564	23%	224,779
			12.5	1,013,099	23%	228,311
			10	1,057,550	22%	233,167
			7.5	1,125,152	21%	239,089
			5	1,170,666	21%	241,985
			0	1,254,728	19%	243,961
		TOTAL	20	1,429,477	25%	364,213
			17.5	1,661,071	25%	407,918
			15	1,766,278	24%	425,222
			12.5	1,795,624	24%	429,281
			10	1,843,662	24%	434,541
			7.5	1,914,088	23%	440,717
			5	1,960,682	23%	443,685
			0	2,045,312	22%	445,683

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• Currently, mining is conducted by long hole open stopping in a top-down sequence and targeting resources between levels +5m to -115m (below sea level). • The level height is 20m with ore extraction from the bottom of each level. • It is assumed due to geotechnical considerations no mining may take place within 10m of the mountainside. • Down-dip development waste is backfill into the current mining void which will allow safe access to further up-dip resources and eliminate mine waste disposal outside the Trælen mountain.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Metallurgical factors have been taken from the current processing plant. • Any changes that MRC undertake have not been quantified or assumed to change the product specifications.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered, this should be reported with an explanation of the environmental assumptions made.*	• All necessary environmental permits required to operate the mine and process plant are in place. • Any changes that MRC undertake have not been quantified or assumed to change the product specifications.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.*	• In December 2019, a bulk density of 2.72 has been measured from 12 samples, weighed dry then wet to determine the density (Archimedes principle). • No wax coating was used to seal the sample. Visual inspection of the

Criteria	JORC Code explanation	Commentary
	• *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	core indicates little loss of material due to vugs or other void spaces. • In August 2021,17 samples were sent to ALS for specific gravity measurement (OA-GRA08), 8 samples from host rock (Amphibolite & Gneiss), resulted specific gravity of 2.9 and 9 samples from graphite reported specific gravity of 2.67.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• This release is an updated Mineral Resource for Traelen graphite mine. The Maiden JORC Mineral Resources was reported on 12 March 2020. • The Mineral Resources have been classified in the Measured, Indicated and Inferred Categories, in accordance with the 2012 Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code). • A range of criteria has been considered in determining this classification including: – Geological continuity – Data quality – Drillhole spacing – Modelling techniques – Estimation properties including search strategy, number of informing data, average distance of data from blocks and estimation output from the interpolation • Measure resources have been classified as such only where there is recent mining development, with supporting geological face mapping and sampling. • Indicated resources are typically supported by a drillhole spacing of between 20mx20m and up to 40mx40m. • Inferred resources for drillhole spacing in excess of 40mx40m. • Drillhole spacing greater than 100mx100m is considered to be unclassified. • Where geological complexity is greater, around folds etc, inferred classification has been used. • The results of the validation of the block model shows acceptable correlation of the input data to the estimated grades. • The Mineral Resource Classification reflects the views of the

Criteria	JORC Code explanation	Commentary
		Competent Person.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• The Mineral Resource has been reviewed internally as part of normal validation processes by MRC. • Wardell Armstrong International ("WAI") conducted a review of the Mineral Resource Estimate and no material issues were identified. Mr Ché Osmond (CGeol) and Mr Richard Ellis (CGeol) (WAI) undertook an audit of the Mineral Resource estimate as an independent technical review.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• Calculated accuracy and confidence in the Mineral Resource Estimate are not explicitly stated. However, relative accuracy is reflected in the Resource classification, based on statistical analysis, and comparing the output of the results from the interpolation techniques with the mean statistical grades lying within the individual domains. • The Indicated and Inferred Mineral Resource Estimates are considered to represent a local estimate as there is reasonable confidence in the location of mineralisation. • The Trælen deposit has been mined continuously for the past 15 years and, during this time, the high-grade nature of the mineralisation has been proven. • Globally the estimation is considered reasonable, while lack of data in general will lead to short scale variability and local estimation accuracy may be low. • Production data from the mine has not been well documented, but where it is available, grade estimations from this estimate reconcile well with production data.

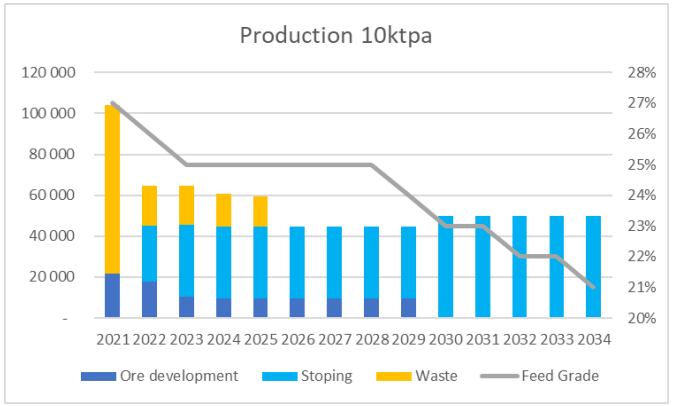
Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section)

Criteria	JORC Code Explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• This Ore Reserve is based on the updated Measured and Indicated portion of the current reported Mineral Resource at Trælen graphite mine. • The Mineral Resource model is a 3D block model reported at 10%TGC cut-off grade. • Mineral Resources are reported inclusive of Ore Reserves.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The Competent Person is currently principal mine engineer and a full-time employee of Skaland Graphite SA.
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	• The Trælen graphite mine is operational with down-dip development commenced in June 2021. Current operations demonstrate that the mine planning underpinning this Ore Reserve is technically achievable and economically viable. • Current financial model of operation at level of feasibility study (FS) has been used and all geology and resource, mining, metallurgy, process plant and tailings, infrastructure and logistics, environment, human resources, marketing, capital and operating costs, financial assessment factors have been reviewed against the current operational achievements, or in the case of a robust data set based on actual results achieved. • Appropriate modifying factors have been applied in the estimation of Ore Reserve. The resulting mine plan is technically achievable and economically viable.

Criteria	JORC Code Explanation	Commentary
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• A value model was developed that assigns mining and processing recoveries, costs, and revenue to the geological model. This value model follows the entire mining process from development to final rehabilitation. • A cost/value model was formulated in Micromine optimisation software from a simplified cash flow script to generate at a block level of all the required attributes to calculate the cash flow grades for the proposed processing permutations for subsequent use in optimisation and strategic mine schedule optimisation. • The basis for the application of the TGC cut-off grade is a simplified variable cash flow per tonne. This approach provides the most mathematically efficient inputs to solve the objective function, as used consistently in the optimisation models developed, which is to maximise the real, pre-tax NPV. • Blocks where the cash flow per tonne is positive are designated ore and negative blocks are designated waste.

Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).*
	• *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.*
	• *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.*
	• *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).*
	• *The mining dilution factors used.*
	• *The mining recovery factors used.*
	• *Any minimum mining widths used.*
		• Currently, mining is conducted by long hole open stoping in a top-down sequence and targeting resources between levels +5m to -115m (below sea level).
		• The level height is 20m with ore extraction from the bottom of each level.
		• It is assumed due to geotechnical considerations no mining may take place within 10m of the mountainside. A 15m crown pillar has been left in place between the existing ("up-dip") mining void and the down-dip development.
		• Down-dip development waste is backfilled into the existing mining void, which will allow safe access to further up-dip resources and eliminate mine waste disposal outside the Trælen mountain.
		• The decline is designed with the following principles:
		  ○ Minimum distance to the ore 40m
		  ○ Minimum turn radius 20m, 25m preferred
		  ○ To minimise the amount of development
		  ○ Maximise the number of straight sections for easier development and driving

Criteria	JORC Code Explanation	Commentary
	• *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	○ Inclination of 1:7 • Long hole drill, face drilling rig (Jumbo), scaler, underground truck and wheel loaders are used for underground mining operation. • Mining recovery of 90% is applied for stopes. • Mining dilution was assumed to be 10% due to the mining method used and complexity of the deposit. • Inferred Mineral Resources were considered as waste. • Annual material movement is planned to be limited to 0.1Mt per annum.  • Geotechnical and hydrogeology assessment and recommendations provided by DTM Group. • Based on the block model, the total mine waste rock volumes are expected to be approximately 15,000 tonnes over a 13 year LOM. This equates to 54,000m^3 of gray rock at an average in-situ bulk density of 2.9. • Ventilation of the mine is planned to be done by using fresh air shafts to bring fresh air to workings. The dirty exhaust air will go out via the decline and empty stopes. No exhaust fan or shaft is planned. Ventilation survey carried out by DTM Group.

<table>
<tr><th>Criteria</th><th>JORC Code Explanation</th><th>Commentary</th></tr>
<tr>
<td>Metallurgical factors or assumptions</td>
<td>

The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.
Whether the metallurgical process is well-tested technology or novel in nature.
The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.
Any assumptions or allowances made for deleterious elements.
The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.
For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications.

</td>
<td>

Metallurgical factors have been taken from the current processing plant.
Skaland Graphite SA is processing the ore by conventional metallurgical techniques include crushing, grinding, floatation, screening and drying to produce graphite concentrate of various flake size.
The processing plant has a recovery of >91% of the graphite in the feed which has a concentrate grade of 90% TGC.
The product fraction size is summarised in the below:

Flake (+250 microns)
Medium (+150 to -250 microns)
Fine (+75 to -150 microns), and
Powder (-75 microns)

The average product size distribution (PSD) is summarised in the below:
<table>
<tr><th>Product Category</th><th>% Of Production</th><th>Product Grade (%C)</th></tr>
<tr><td>Flake</td><td>26.2</td><td>97.9</td></tr>
<tr><td>Medium</td><td>8.4</td><td>95.5</td></tr>
<tr><td>Fine-Medium</td><td>28.4</td><td>91.8</td></tr>
<tr><td>Powder</td><td>35</td><td>84.9</td></tr>
<tr><td>Specials</td><td>2</td><td>90</td></tr>
</table>

The Company has plan for expansion of Production from 10 ktpa to 16 ktpa by 2023.

</td>
</tr>
<tr>
<td>Environmental</td>
<td>

The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.

</td>
<td>

Significant environmental assessment work has been undertaken. The environmental permits are based on the discharge of 40,000t of tailings to sea per year from the County Governor of Troms and Finnmark and all environmental permits required to operate the mine and process plant are in place.
From the mine, the wastewater is filtered before it goes to the sea. Samples of the water are taken every second month to control of solid density.

</td>
</tr>
</table>

<table>
<tr><th>Criteria</th><th>JORC Code Explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>

The waste rocks (grey rock) from the mine can be deposited through a hole in the mountain and down the mountain wall. It can be deposited until it reaches the sea. This looks like the natural scree slopes that are everywhere in Trælen mountain.
The tailings from the flotation circuit are sent to a thickener within the processing building for water recovery. The thickener underflow is relatively dilute, at around 180m from the shoreline and at least at 30m depth. Tailings must contain no more than 120g/l of solid density to be sure that the tailings are deposited close to the point of deposit. The limit values for components with requirements to be measured are:

<table>
<tr><th rowspan="2">Component</th><th colspan="2">Limit value</th></tr>
<tr><th>Short time limit (g/day)</th><th>Long time limit (g/year)</th></tr>
<tr><td>Zn</td><td>4,11</td><td>1500</td></tr>
<tr><td>Ni</td><td>14,25</td><td>5200</td></tr>
<tr><td>Cu</td><td>2,74</td><td>1000</td></tr>
<tr><td>Cr</td><td>1,37</td><td>500</td></tr>
</table>

The Company has conducted testwork to optimise the Production of tailings to support expansion, targeting the Production of high volume/low sulphides/low metals tails and a smaller volume of high S/high metals tailings. These streams would then be disposed separately.
NIVA, as an independent environmental consultant, has done testing on the impact the tailing from the plant have on the fjord. They recommended to discharge the tailings point in deeper level.
In 2021, NTNU did testing on the tailings to evaluate implementation of a method in the process to extract most of the harmful components from the tailings.
In processing plant, there is some dust emission into air from the chimney and from the main ventilation exhaust. It must be <5g/m2. The latest assessment was done in August 2021 and it was below the

</td></tr>
</table>

Criteria	JORC Code Explanation	Commentary
		limit. • Noise zone maps are prepared for all relevant operations to be sure that the people living around the operation are not negatively disturbed. • General wastes are sorting into appropriate containers and are delivered to environmental or recycle stations.
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	• All the infrastructure requirements for the project already exist in the Skaland site. • The Skaland Project, and Trælen deposit, are located on the Island of Senja but can be reached from the mainland via the 862 and 86 paved highway via a bridge spanning the Gisundet strait to the town of Finnsnes. To access the Trælen deposit, a graded road of some 7.5km was constructed around the northern coastline of the peninsula. • Graphite ore is trucked from the Trælen deposit to the Skaland processing plant. The Project is accessible, and operational, throughout the year and is not impacted by climatic conditions. • There is a well-established local community supporting the operation along with good quality infrastructure. • The Skaland process plant is located adjacent to its own dedicated (ice-free) quay that allows the graphite concentrate to be shipped throughout the year. Port has an ISPS status, code NOSAA-0001. A small amount of concentrate is transported by truck to customers within Europe. • The mine is connected to 22kV network. The processing plant is connected to the national grid with 22 kV line to three main transformers, 1600 kA, 1000 kA and 500 kA. • Skaland Graphite AS utilises water from two sources, the Trælen mine and from the mountains. There is a natural pond with 175,000m^3 water storage capacity. Process water comes mainly from the thickener overflow and from the concentrate filter. • Propene is used for drying the graphite. Tank volume is 87.4m^3 and the tank is taken care by gas supplier. The gas tank is buried to ground for external fire protection.

Criteria	JORC Code Explanation	Commentary

Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.*
	• *The methodology used to estimate operating costs.*
	• *Allowances made for the content of deleterious elements.*
	• *The source of exchange rates used in the study.*
	• *Derivation of transportation charges.*
	• *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.*
	• *The allowances made for royalties payable, both Government and private.*
		• Capital and operating underground development and stoping costs are based on existing mining and supply contracts and were used to convert the Trælen Mineral Resources to Ore Reserves. Project to date mining of Trælen has established the technical feasibility and profitable extraction of the mineralised lodes by underground method.
		• The capital infrastructure, mining, associated equipment, and processing plant are in place. All the processing plant and infrastructure required for the processing operation is already owned by MRC, with only minor modifications or upgrades required.
		• The operating cost estimate for the Project includes all costs associated with processing, infrastructure, and site-based general and administration costs.
		• The operating cost estimate has been prepared to an accuracy of ±10%.
		• Industry standards, quotations from vendors or information from the operating cost database and information from the process design criteria underlie the basis of the estimate.
		• The operating costs have been compiled by Skaland Graphite AS and MRC from a variety of sources and additional consultants including:
		  ○ Budget quotations received from suppliers
		  ○ Operating cost database
		  ○ Wages and salaries, general and administration costs
		  ○ First principal estimates based on typical operating data
		• Royalties have been calculated at NOK14.6 per tonne of product sold payable to the landowners.
		• NOK2.03 per tonne mine out ore is payable to the Norwegian Directorate of Mining as a rehabilitation cost.
		• All amounts have been modelled in US dollars with foreign estimated inflows/outflows converted to US dollars at an average exchange rate forecast for the relevant transaction year. The forecast exchange rate of USD/NOK 8.4 and USD/AUD 1.3 used reflects long term exchange forecasts with an accuracy of ±10%.

Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s)*	• The Trælen Ore Reserve estimate will produce a revenue stream from sale of graphite concentrate. Revenue from the Project is derived from

Criteria	JORC Code Explanation	Commentary
	exchange rates, transportation and treatment charges, penalties, net smelter returns, etc. • *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	the sale of graphite concentrates in different size fractions. • The price assumptions are based on contracted sales agreements. Forecast prices for each flake size were provided by Benchmark Mineral Intelligence. • Revenue estimates are based on independent market pricing and life-of-mine concentrate production of 10,000tpa. • Transport and treatment charges as well as other administration charges incurred on site are all based upon actual costs being incurred mining the Trælen ore lodes. • There are no by-products, co-products, or deleterious elements in the concentrate. • Forecast prices for graphite concentrate products (2021-2027) were incorporated into the model. • Revenue estimates are base case only.
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* • *A customer and competitor analysis along with the identification of likely market windows for the product.* • *Price and volume forecasts and the basis for these forecasts.* • *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	• Skaland is the largest flake graphite producer in Europe and the fourth-largest producer globally outside of China. Skaland is presently one of the world's highest-grade operating flake graphite mines with mill feed grade averaging around 25%C. Skaland accounts for around 2% of global annual natural flake graphite production. • Production of Natural Graphite, including all three forms of it (Amorphous, Flake, Vein) is 0.95 million tpa. China, with 60% share, is the biggest producer and seller. • The refractory market still has the biggest share in graphite consumption and graphite mainly goes into Magnesia Carbon bricks for iron and steel production. It is estimated that around 0.5kg of natural graphite is consumed per tonne of steel, besides the given market share of 28%. It is estimated that refractories consume 600,000 tonnes of graphite every year. • Current demand for natural flake graphite is estimated at approximately 750,000 tonnes per annum with approximately 26% of total graphite demand attributed to the lithium-ion battery market. Independent market research forecasts that the lithium-ion battery market will grow at an annual rate of 16% to 2023 for approximately 696,000 tonnes of lithium-ion batteries (or 51% of the total annual

<table>
<tr><th>Criteria</th><th>JORC Code Explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>demand). By 2030, the annual demand for graphite for lithium-ion batteries is projected at 2.9M tonnes, or 80% of the total projected annual demand of 3.6M tonnes. Natural flake graphite demand from 2015 to 2040 for all end uses is forecast to grow at an average of over 12% per year, though this is dominated by lithium-ion battery demand. Primarily because of projected increases in demand for natural flake graphite in lithium-ion batteries, the graphite market is projected to be in undersupply from 2020, with the supply deficit growing as projected lithium-ion battery demand ramps up.
• Based on MRC's market approach, the focus is:
○ Possible value additions to our product, producing high purity graphite, developing expandable Production etc.
○ Specialty product markets, targeting Alkaline batteries, Lubricants, Powder Metallurgy, Conductive additives, etc.
○ Diversified and customer specific products, closely engaging with customers and developing the right products for the customers' requirements.
○ Total value proposition: packaging, logistics, offering short delivery times, fast response times, consistent quality etc.
• MRC has existing customers for graphite products from its Skaland operation.
<table><tr><th>Product</th><th>Flake</th><th>Medium</th><th>Fine-Medium</th><th>Powder</th><th>Specials</th><th>Micronised</th></tr><tr><td>Price (US$/t)</td><td>1010</td><td>800</td><td>680</td><td>510</td><td>770</td><td>2400</td></tr></table>• Price assumptions are cross referenced against Benchmark Mineral Intelligence assumptions over the coming years.</td></tr>
<tr><td>Economic</td><td>• The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.
• NPV ranges and sensitivity to variations in the significant assumptions and inputs.</td><td>• Economic analysis was carried out using established site costs for mining, geology, processing and administration.
• A discount rate of 7% (real) was applied, reflecting the weighted average cost of capital expected from debt funding the project.
• Sensitivities to existing unit costs, principally of underground mining, were carried out to establish the viability of the Trælen Ore Reserves. An undiscounted and uninflated cashflow model was used to evaluate the economic return of the mine plan underlying the Ore Reserves.
• As an ongoing operation, monthly cost review is undertaken along</td></tr>
</table>

Criteria	JORC Code Explanation	Commentary
		with geological reconciliation to analyse conformance to the expectations that form the basis of the Ore Reserve estimation. • Sensitivities of the NPV to changes in key assumptions have been analysed. These were run on the following key model assumptions: graphite recovery, exchange rate, discount rate, operating costs, and capital costs. In each case, the sensitivities run was regarded as a possible downside scenario and a possible upside scenario based on the historic experience of mining projects. • All cashflows have been prepared in real terms, assuming 2021 dollars, with no inflation of graphite concentrate prices.
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• Skaland Graphite has been running on and off since 1918 and it has been a part of the local community. The local community is familiar with the characteristics of mining, processing and product transport, as other resource extraction operations occur within the district. Stakeholder consultation conducted to date has identified that most of the community is supportive of the Project. • In earlier years, Skaland Graphite assisted workers and their families to get a place to live. Many of the older people in the area have either worked at the mine or had someone in their family that worked in Skaland operations. Currently, 35 people working directly in the operation and a lot of families live in Skaland because some of them work at Skaland Graphite AS. • Together with the fishing industry, Skaland Graphite AS is the most important workplace in the area, and it is an important part of the local economy of the district.
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and*	• The Skaland operations are not new, all regulatory approvals have been granted, no economic evaluation or justification is required. • The stated Ore Reserve estimate is not materially affected by any known environmental, permitting, legal, title, taxation, socio-economic, marketing, political or other relevant issues, to the best knowledge of the authors. There are no known mining, metallurgical, infrastructure, or other factors that materially affect this Ore Reserve estimate, at this time.

Criteria	JORC Code Explanation	Commentary
	government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.	
Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	• The Mineral Resource classifies all mineralisation at Trælen as Measured, Indicated, and Inferred and 100% of the maiden Ore Reserve has been derived from Measured and Indicated Mineral Resources. • The classification reflects the Competent Person's view of the deposit. • Optimisations and the proposed mining schedule are cognisant of the Mineral Resource classification.
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• The Ore Reserve methodology and estimates has been reviewed internally as part of normal validation processes by MRC.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.*	• This is considered to be a maiden Ore Reserve Estimate under the guidelines of the JORC Code (2012) since this is the first reserve estimate completed in this project. • The Ore Reserve has been peer reviewed internally and the Competent Person is confident that it is an accurate estimate of the Deflector Reserve. • Mining and processing methods selected are typical for graphite and have been demonstrated in various other operations. They are considered a low risk of impacting the Ore Reserves. • There is a degree of uncertainty regarding hydrogeological model. Further hydrogeological study and geotechnical work is recommended. • All costs used in the optimisation and Ore Reserve process are supported by an extended operational history and actual results from the Skaland operation.

Criteria	JORC Code Explanation	Commentary
	• *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	