



ASX: MRC

10 October 2023

RECOMMENCEMENT OF OPERATIONS AT SKALAND GRAPHITE MINE

Mineral Commodities Ltd (“**MRC**” or “**the Company**”) (ASX: MRC) is pleased to advise that primary drilling and ore production has recommenced at the Skaland Graphite AS (**Skaland**) operations following a mechanical failure of the primary ore production drill rig.

MRC Graphite (Norway) Pty Ltd (a subsidiary of the Company) (**MRCGN**) owns 100% of Skaland Graphite AS (**Skaland**).

Rental Drill Rig

A rental drill rig has been sourced and commissioned at Skaland to replace the primary ore production drill rig (Tamrock Data Solo 1020) that suffered in-service failure in September 2023. As previously reported, the Skaland owned rig was originally built in 2002 and is approaching the end of its useful life.

Recommencement of drilling is approximately one (1) week ahead of initial estimate of mid-October 2023.

The rental drill rig, while currently operational and performing, is also an older rig and the Company is continuing to consider options to replace the current rental rig with a new or more recently built second hand unit. A decision is expected on longer term solution as part of the upcoming 2024 budget planning cycle.

Recommencement of Sales of Graphite

Now that the rental drill rig is settling into operations, ore production has recommenced and the process plant is expected to begin producing finished product in coming days. The first shipment of graphite by barge ex Skaland is expected late October / early November 2023.

Business impact

The Company previously estimated a negative impact to cash flows of approximately US\$0.6 million - US\$0.9 million depending on the timing of delivery of the rental machine. A revised estimate is US\$0.6 million.

The Company's Chief Executive Officer, Mr Scott Lowe commented: *"I visited Skaland during September 2023 to better understand the business, assets and operations. I was very impressed with the grade and geotechnical stability of the deposit. While there is work to do to improve plant & equipment reliability and replace aging machinery, I am very optimistic about the future for Skaland as part of the Company's attractive battery mineral assets. Together with our Tormin Mineral Sands business in South Africa, I believe the Company's quality of assets set it apart from other junior companies in this space, and position it well for future value growth"*

ENDS

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About Mineral Commodities Ltd

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

The Company is a producer of zircon, rutile, garnet, magnetite, and ilmenite concentrates through its Tormin Mineral Sands Operation, located on the Western Cape of South Africa.

The Company also owns and operates the Skaland Graphite Operation in Norway, the world's highest-grade operating flake graphite mine and is the only producer in Europe. The planned development of the Munglinup Graphite Project, located in Western Australia, builds on the Skaland acquisition and is a further step toward an integrated, downstream value-adding strategy which aims to capitalise on the fast-growing demand for sustainably manufactured lithium-ion batteries.