HIGHLY PROSPECTIVE GRAPHITE EXPLORATION PROJECT SECURED 20KM FROM SKALAND

- **Signed landowner agreement over Bukken Graphite Prospect, largest known graphite anomaly in Norway[1]**
- **Geophysical surveys show large extent of graphite hosting schists and gneiss**
- **Initial surface mapping and sampling suggest carbon content of up to 14.1%**
- **Located only 20km from MRC's existing Skaland Graphite Operations**

Mineral Commodities Ltd ("MRC" or "the Company") is pleased to announce that through its 90% owned subsidiary, Skaland Graphite AS ("Skaland"), it has entered into a landowner agreement to explore the south of Bukken Graphite Prospect, on the island of Senja, Norway. The tenement is located approximately 20km east of MRC's existing Skaland Graphite Operation. The agreement will provide MRC with exclusive exploration rights for 10 years.

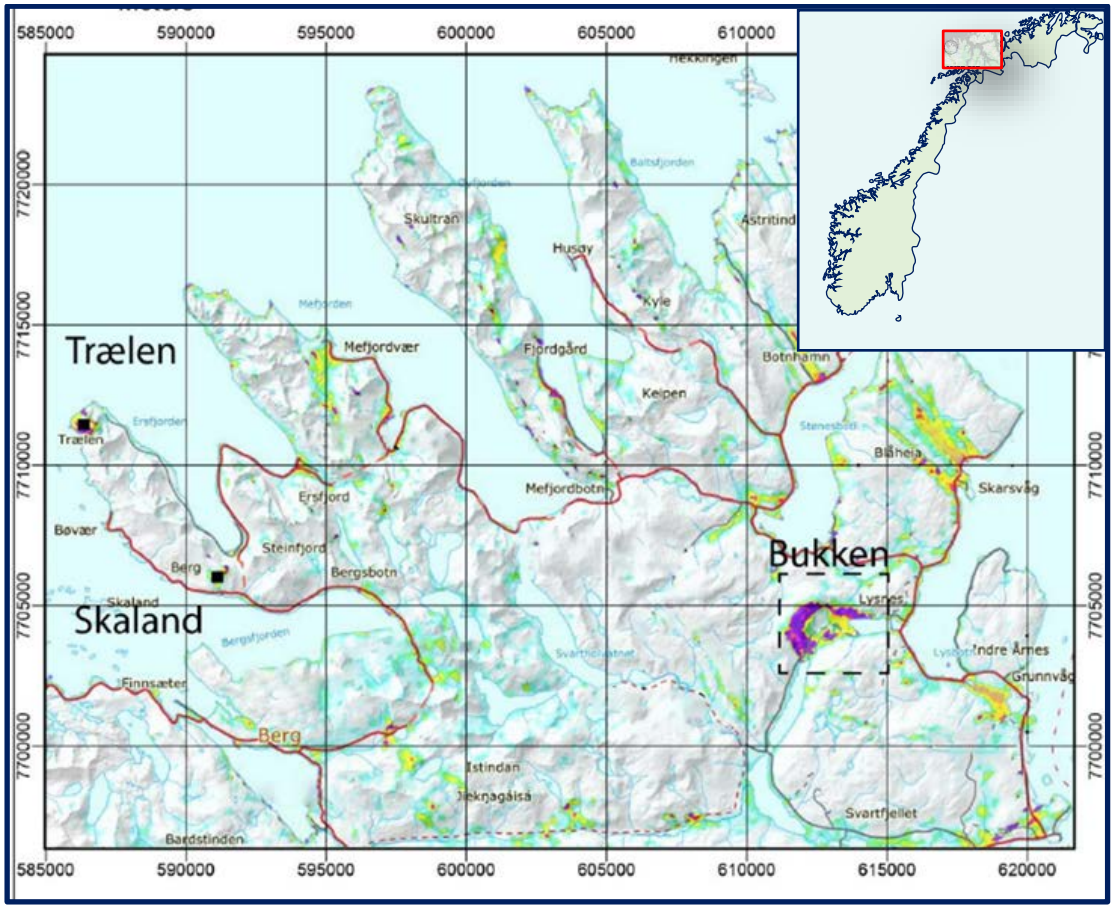

Figure 1: Graphite occurrences in northern Senja, underlaid by apparent resistivity (modified after NGU, 2019)

1- Geological Survey of Norway, Natural Graphite In Norway December 2015

Executive Chairman, Mark Caruso, said, "This Agreement provides us with an opportunity to explore one of Norway's most prospective graphite targets. The discovery of an economic graphite resource at Bukken, located only 20km from our processing infrastructure at Skaland, would further add to our strategy to make Skaland an integral part of Europe's plan to secure supply of critical battery raw materials. Mineral exploration is the foundation of extractive industries and we are pleased to be investing in greenfields exploration that contributes to securing European supply and the transition to green energy technologies."

Background

The Bukken Graphite Prospect is the largest known continuous graphite anomaly in Norway. It was identified by geophysical survey methods by Geological Survey of Norway (NGU, 2019). It is located on the northeast of the island of Senja, approximately 50km southwest of Tromso, the nearest major town, with a population of around 65,000.

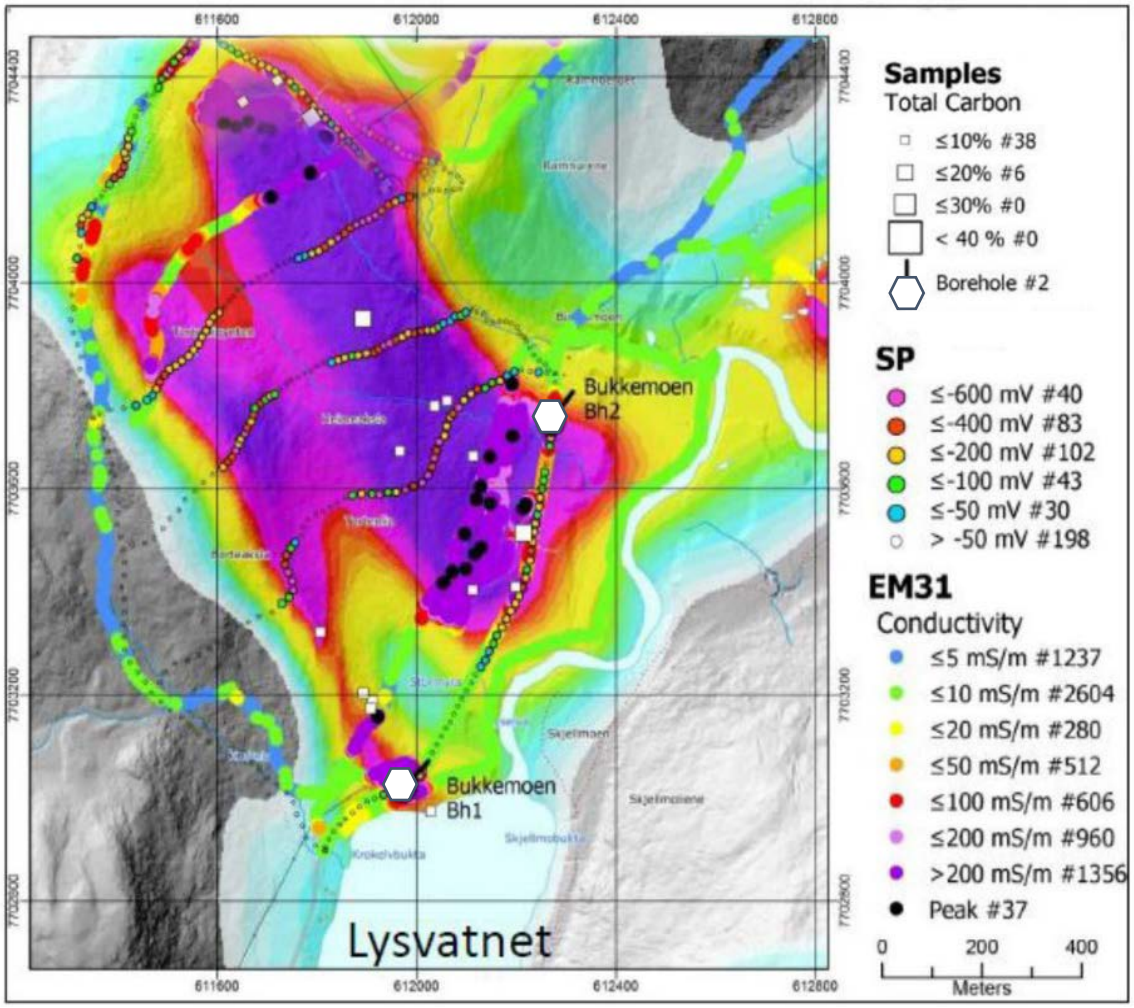

Figure 2: Drillholes location and Total Carbon analysis on samples superimposed on apparent resistivity in the south Bukken Graphite Prospect (modified after NGU, 2019)

The NGU has surveyed the Bukken Graphite Prospect numerous times since 1988, using various geological and geophysical techniques including helicopter and ground electromagnetic, charged potential and self potential methods. NGU undertook detailed geological mapping, including structural mapping, thin section analysis, sampling and assaying in 2003 and again in 2018 (NGU, 2019). By way of comparison, NGU estimates that the Bukken Graphite Prospect could conceptually be longer (2,000m) and wider (300m) than the existing Trælen underground mine at Skaland, based on surface mapping and geophysical anomalies.

Geological Investigation

Visible outcrops are rare across the Bukken Graphite Prospect, with soil covering most of the lower lying areas and scattered outcrops elsewhere. However, on top of Bukken Mountain, graphite schists are exposed over several hundred metres, as seen in Figure 3.

Figure 3: Graphite zone in Bukken Mountain

In 2018, NGU took a number of surface rock chip samples at the Bukken Graphite Prospect (Figure 4). 24 samples have been assayed for Total Carbon ("TC") and Total Sulphur ("TS"). 20 samples reported a grade higher than background levels of TC (0.1% TC lower cut-off), shown in Table 1.

Table 1: TC in samples from the south Bukken prospect area (NGU, 2019).

Total Number of Samples	Max (%)	Min (%)
20	**14.13**	2.2

The average carbon content is lower than production grades at the Traelen Graphite Mine but is of potentially significant value in context of the geographically large area. Maximum values of ~14% show that there are significant TC concentrations in the area.

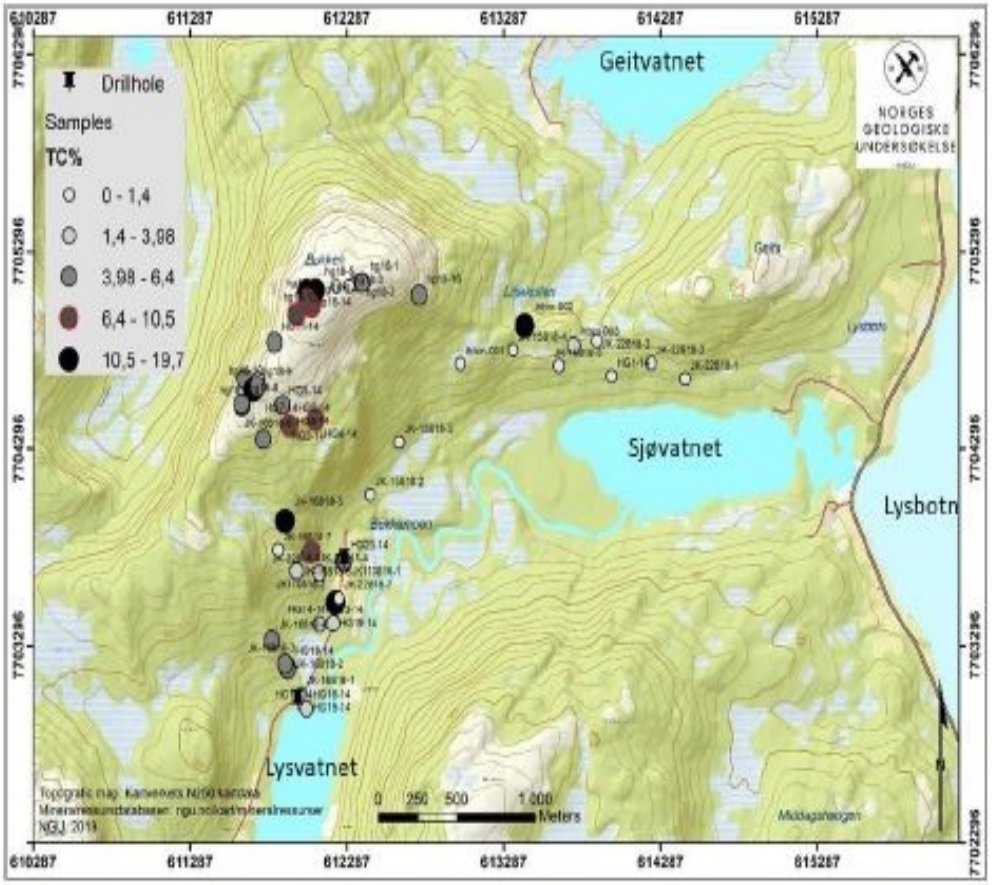

Figure 4: Distribution of graphite samples and analysed TC at Bukken (NGU, 2019)

Two short (less than 50m) diamond drillholes were drilled at south Bukken in 2018 to test the observations made at surface and in geophysics along the western and smaller southern lobe of the EM anomaly along the Lysvatnet Lake. The holes were targeted at the very edges of the geophysical anomaly due to accessibility of the drill locations along a road. The holes were logged for geology and structure and samples were taken every two metres for analysis of TC and TS. Portable XRF analysis was conducted on the core and resistivity was measured in-situ using a Leco SC-632 analyser for TC and TS at the NGU laboratory.

Table 2: Details of the two diamond drillholes completed at Bukken (NGU 2018)

Drillhole	UTM X	UTM Y	Direction	Dip	Length (m)
Dh1	611971	7703018	045	45	41.45
Dh2	612269	7703730	037	50	37.52

Both holes intersected graphite bearing gneiss, but failed to intersect high-grade graphite rich zones (over 4% TC). In their summary of the drilling results, NGU outlined that the short length of the drillholes was not truly representative of the targeted rock mass, and given the high electrical conductivity observed in the ground-based electromagnetic survey, drillholes of at least 200m were required to show a true representation of any high-grade graphite distribution within the gneiss.

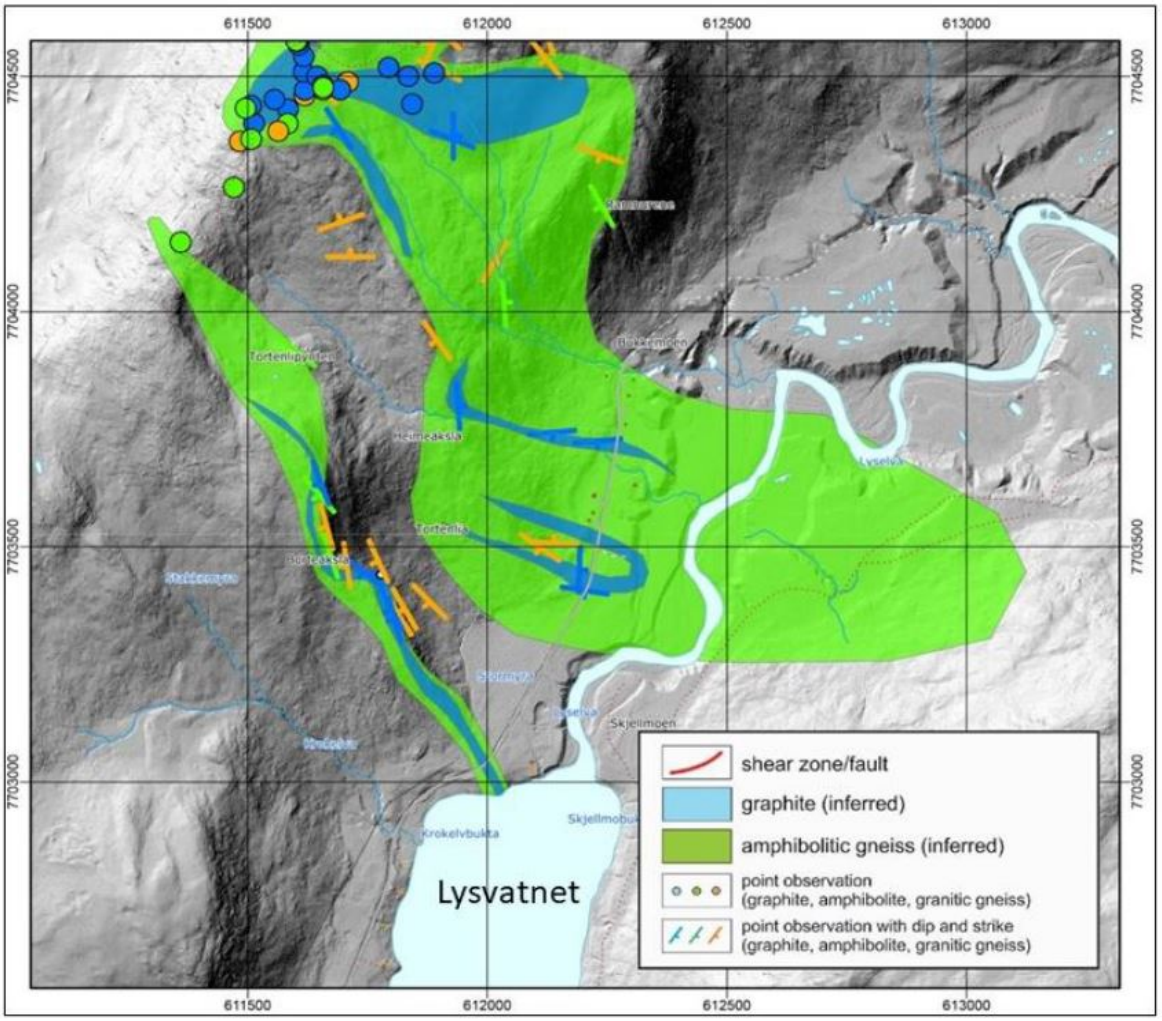

Figure 5: Geological map of the southern Bukken Graphite Prospect (NGU, 2019)

The Company anticipates commencing an exploration program this quarter, comprising further ground-based geological mapping and sampling to determine higher grade locations to target drilling. Drilling will be up to 200m depth, in order to minimise anomalies observed in NGU's investigations.

MRC has relied heavily on the work completed by NGU and presented in the NGU Report 2019.023. It is believed this information is accurate and will form the basis of ongoing exploration.

- ENDS -

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

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 a number of factors could cause actual results or expectations to differ materially from the results expressed or implied in the forward-looking statements.

Competent Person Statement

The information in this Stock Exchange Announcement that relates to Exploration, together with any related assessment and interpretation, has been approved for release by Mr Daniel Ball, who is a member of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Ball is a Senior Geologist and a full-time employee of the Company. Mr Ball has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person in accordance with the JORC Code 2012.

Mr Ball consents to the inclusion of the information contained in this ASX release in the form and context in which it appears.

Appendix 1: Surface Rock Chip Sample details. Co-ordinates are in UTM 84 zone 33N (NGU,2019)

Year	Area	Easting	Northing	Sample	Lithology	TS	TC
2014	Bukken	612198	7703410	HG19-14	Graphite schist	4.09	2.71
2014	Bukken	612261	7703725	HG20-14	Graphite schist	2.44	4.17
2014	Bukken	612028	7702975	HG15-14	Graphite schist	0.85	3.03
2014	Bukken	612028	7702975	HG17-14	Graphite schist	0.84	3.3
2014	Bukken	611911	7703188	HG18-14	Graphite schist	0.55	5.09
2014	Bukken	612112	7703404	HG14-14	Graphite schist	0.18	3.35
2014	Bukken	612028	7702975	HG16-14	Graphite schist	0.38	3.94
2016	Bukken	612268	7703721	JK110816-1	Rich Graphite schist	1.82	5.09
2014	Bukken	612112	7703404	HG13-14	Graphite schist	0.11	3.13
2016	Bukken	612214	7703515	JK110816-2	Graphite schist + qz veins 1-2cm / big outcrop	0.18	14.13
2018	Bukken	612036	7703761	22818-5	Feldspar rich gneiss	0.01	0
2018	Bukken	612236	7703537	22818-7	Graphite Gneiss	2.31	0.03
2018	Bukken	611908	7703174	JK16818-2	Graphite schist	0.74	4.68
2018	Bukken	611893	7703203	JK16818-3	Graphite schist	0.5	4.57
2018	Bukken	618742	7701980	JK18818-2	Graphite schist	0.42	3.68
2018	Bukken	611966	7703674	JK16818-8	Felsic gneiss with graphite	0.14	3.55
2018	Bukken	611807	7703322	JK16818-4	Graphite schist	0.26	4.12
2018	Bukken	612748	7705075	hg18-16	Medium grade graphite schist	0.25	6.39
2018	Bukken	612036	7703761	JK22818-5	Graphite Schist	0.18	3.9
2018	Bukken	612113	7703664	JK22818-6	Amphibolite	0.08	2.21
2018	Bukken	611892	7703930	JK16818-5	Graphite schist	0.07	14.1
2018	Bukken	612061	7703771	JK22818-4	Graphite schist	0.05	7.97
2018	Bukken	611849	7703781	JK16818-7	Amphibolite	0.05	0.11
2018	Bukken	612437	7704062	JK15818-2	Mafic gneiss	0.01	0.16

Appendix 2: Diamond drillhole details. Coordinates are in UTM 84 zone 33N (NGU,2019)

Hole ID	UTM Easting	UTM Northing	EOH (m)	Azimuth	Dip
Dh1	611971	7703018	41.45	45	45
Dh2	612269	7703730	37.52	37	50

Appendix 3: Diamond drill assays. (NGU,2019)

Hole No.	Sample No.	From (m)	To (m)	%TS	%TC
Dh1	Bukkem1 (4-6)	4	6	4.79	3.2
Dh1	Bukkem1 (8-10)	8	10	4.82	3.4
Dh1	Bukkem1 (12-14)	12	14	3.51	2.26
Dh1	Bukkem1 (16-18)	16	18	5.38	3.62
Dh1	Bukkem1 (20-22)	20	22	4.85	3.56
Dh1	Bukkem1 (24-26)	24	26	5.04	3.51
Dh1	Bukkem1 (28-30)	28	30	5.56	3.9
Dh1	Bukkem1 (32-34)	32	34	3.5	2.39
Dh1	Bukkem1 (34-36)	34	36	4.59	2.26
Dh1	Bukkem1 (38-40)	38	40	0.57	<0.06
Dh2	Bukkem2 (0-2)	0	2	5.32	3.77
Dh2	Bukkem2 (2-4)	2	4	5.18	2.98
Dh2	Bukkem2 (6-8)	6	8	4.2	2.77
Dh2	Bukkem2 (10-12)	10	12	3.61	2.44
Dh2	Bukkem2 (14-16)	14	16	2.73	0.965
Dh2	Bukkem2 (18-20)	18	20	5.07	2.95
Dh2	Bukkem2 (22-24)	22	24	2.7	1.17
Dh2	Bukkem2 (26-28)	26	28	1.75	0.749
Dh2	Bukkem2 (30-32)	30	32	0.795	0.03
Dh2	Bukkem2 (34-36)	34	36	1.08	0.03

(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 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 1m samples from which 3kg were pulverised to produce a 30g 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.*	• Surface samples by rock chip • Diamond core sampling of 2m intervals, where visual logging shows the graphite • Portable XRF analysis was performed every 0.25m • Helicopter-borne electromagnetic (HEM), Charged Potential (CP) and Self Potential (SP) geophysical survey was undertaken by NGU
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Banka, 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).*	• Diamond core drilling • Core diameter is 36mm
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure*	• Not recorded.

Criteria	JORC Code explanation	Commentary
	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.*	
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 log sheets • Geological and lithological observations per depth were recorded
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.*	• Cores split in 3 parts, one half and 2 quarter cuts of the core
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,*	• Portable XRF analysis was used in situ measurement • Leco SC-632 analyser was used for TC and TS at the NGU laboratory. The detection limits reported 0.06% and 0.02% for carbon and sulphur, respectively • Geophysical Instruments used by NGU includes: Helicopter-borne electromagnetic (HEM), Charged

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td>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.</td><td>Potential (CP) and Self Potential (SP)
• Instrument used in helicopter-borne geophysical survey are:
<table>
<tr><th>Instrument</th><th>Producer/Model</th><th>Accuracy</th><th>Sampling Frequency</th></tr>
<tr><td>Magnetometer</td><td>Scintrex Cs-2</td><td>0,002 nT</td><td>5 Hz</td></tr>
<tr><td>Base magnetometer</td><td>GEM GSM-19</td><td>0.1 nT</td><td>0.33 Hz</td></tr>
<tr><td>Electromagnetic</td><td>Geotech Hummingbird</td><td>1 – 2 ppm</td><td>10 Hz</td></tr>
<tr><td>Gamma spectrometer</td><td>Radiation Solutions RSX-5</td><td>1024 ch’s, 16 litres down, 4 litres up</td><td>1 Hz</td></tr>
<tr><td>Radar altimeter</td><td>Bendix/King KRA 405B</td><td>± 3 % 0 – 500 feet
± 5 % 500 –2500 feet</td><td>1 Hz</td></tr>
<tr><td>Pressure/ temperature</td><td>Honeywell PPT</td><td>± 0,03 % FS</td><td>1 Hz</td></tr>
<tr><td>Navigation</td><td>Topcon GPS-receiver</td><td>± 5 metres</td><td>1 Hz</td></tr>
</table>
</td></tr>
<tr><td>Verification of sampling and assaying</td><td>• 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.</td><td>• No independent verification was undertaken outside the work by NGU.</td></tr>
<tr><td>Location of data points</td><td>• 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.</td><td>• Hole collars have been provided to the nearest metre
• Surface samples have been provided to the nearest metre</td></tr>
<tr><td>Data spacing and distribution</td><td>• 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.</td><td>• Surface sample spacing is variable and dictated by the spatial location of outcrops
• The only two drillholes were located where access was possible over the target</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
	• *Whether sample compositing has been applied.*	
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.*	• Drillholes were oriented so as to best intercept the target horizon perpendicularly, from limited surface exposures
Sample security	• *The measures taken to ensure sample security.*	• Samples were geologically logged and send to NGU laboratory.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The data has been provided in the NGU 2019.023 report, and has been reviewed as per NGU standards • MRC has conducted an internal review of data

Section 2 Reporting of Exploration Results

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

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>Mineral tenement and land tenure status</td><td>• 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.</td><td>• The area has a granted binding landowner agreement with Skaland Graphite AS a subsidiary of MRC for 10 years from 02.01.2020
• The area is owned by Senja municipality on property No. Gnr.90/Bnr.2 (Fjellheim)</td></tr>
<tr><td>Exploration done by other parties</td><td>• Acknowledgment and appraisal of exploration by other parties.</td><td>• MRC has not conducted any exploration on the Project.
• All exploration has been completed by the NGU (Geological Survey of Norway)</td></tr>
<tr><td>Geology</td><td>• Deposit type, geological setting and style of mineralisation.</td><td>• The Graphite mineralisation is hosted by early Proterozoic Schists and Gneisses of the Western Troms Basement Complex
• Graphite mineralisation occurs as strongly folded bands of enriched graphitic schist/gneiss within a host of non-graphitic schist/ gneiss
• The graphite lenses are steeply dipping toward the west</td></tr>
<tr><td>Drillhole Information</td><td>• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all material drillholes:
o easting and northing of the drillhole collar
o elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar
o dip and azimuth of the hole
o down hole length and interception depth
o hole length.
• If the exclusion of this information is justified on the basis that</td><td>• Two drill holes have been completed in the area, a summary of the collar information is:
<table><tr><td>Hole ID</td><td>UTM Easting</td><td>UTM Northing</td><td>EOH (m)</td><td>Azimuth</td><td>Dip</td></tr><tr><td>Dh1</td><td>611971</td><td>7703018</td><td>41.45</td><td>45</td><td>45</td></tr><tr><td>Dh2</td><td>612269</td><td>7703730</td><td>37.52</td><td>37</td><td>50</td></tr></table></td></tr>
</table>

Criteria	JORC Code explanation	Commentary
	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.	
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 data aggregation was used.. Total Carbon assays are reported only over the individual sample lengths.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drillhole 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 width not known').*	• No mineralisation thickness has been reported .
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 drillhole collar locations and appropriate sectional views.*	• Diagrams have been provided by the NGU in their report NGU 2019.023
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 practised to avoid misleading reporting of Exploration Results.*	• • Reporting of all surface sample assays above background has been done. • Appendix one includes all Total Carbon assays.

Criteria	JORC Code explanation	Commentary
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.*	• No other exploration data is currently available
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.*	• A comprehensive surface mapping and sampling programme has been planned, with follow up drilling to test the most prospective targets