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ASX Symbol

MRF, MRFOA

MRL raises \$4m to fund start of high-grade graphite production

MRL Corporation (ASX: MRF) is pleased to advise it has received commitments for a placement of shares at 5.5¢ with attaching options on a 1 for 2 ratio, raising \$4 million. The placement is to be settled in two tranches with the second tranche due after shareholder approval at the forthcoming AGM, on or about 18 November 2015.

Far East Capital Limited, the Lead Manager, has advised that the placement was strongly bid for by strategic investors and high net worth individuals.

Upon completion of the placement MRL will be well-positioned to proceed with the development of mine shafts at its high-grade graphite projects in Sri Lanka, where production is on track to start in late 2015.

MRL's strategy involves developing a number of shafts concurrently, enabling it to ramp up production rapidly and begin commercial sales in 2016.

The proceeds will also enable MRL to conduct further research and development on the suitability of its high-grade graphite for down stream processing into higher value products, including but not limited to, premium-priced graphene materials.

MRL Managing Director Craig McGuckin said the Company was now well-funded and set to monetise the value of its high-grade graphite assets.

"We are now well on the path to production and cashflow from graphite production," Mr McGuckin said. "We also have strong potential to enjoy substantial sales growth on the back of the promising graphene market and we look forward to pursuing this significant opportunity."



Typical High-Grade Sri Lankan Ore from MRL's Pujapitiya Site

About MRL Corporation Ltd (ASX: MRF)

MRL is aiming to develop an underground mining operation to extract high-grade, crystalline vein graphite, which is unique to Sri Lanka. The Company holds exclusive rights to exploration licenses covering approximately 6,300 hectares in area, with historical workings located within nearly all license grids.

About Graphene

Graphene, the well-publicised and now famous two-dimensional carbon allotrope, is as versatile a material as any discovered on Earth. Its amazing properties as the lightest and strongest material, compared with its ability to conduct heat and electricity better than anything else, mean it can be integrated into a huge number of applications. Initially this will mean graphene is used to help improve the performance and efficiency of current materials and substances, but in the future it will also be developed in conjunction with other two-dimensional (2D) crystals to create some even more amazing compounds to suit an even wider range of applications.

One area of research which is being very highly studied is energy storage. Currently, scientists are working on enhancing the capabilities of lithium ion batteries (by incorporating graphene as an anode) to offer much higher storage capacities with much better longevity and charge rate. Also, graphene is being studied and developed to be used in the manufacture of supercapacitors which are able to be charged very quickly, yet also be able to store a large amount of electricity.

Nature of vein graphite

Sri Lankan graphite deposition model is best described from the 'bottom up': tension fractures formed in the metamorphic sediments, caused by the folding of the sediments, creating 'conduits' for the hydrothermal deposition of high quality vein graphite. Historically, mining of these veins has found the veins generally increase in thickness and grade quality with increasing depth. Graphite veins generally dip steeply at -70° to near vertical, enabling 'narrow vein' extraction mining techniques similar to those used on narrow vein, high-grade gold deposits. The method commonly used is an overhead retreat stoping technique where the high-grade vein graphite is mined and hauled to surface without contamination. The graphite selvages, in contact with the surrounding waste, is hauled to surface and stockpiled for upgrading. The balance of the waste is used to fill the floor of the stope.

Due to the nature of the vein graphite, it is anticipated vein widths of ~25cm, using narrow vein mining techniques can be economically extracted from underground operations.

For further information:

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