

GreenRoc Strategic Materials Plc / EPIC: GROC / Market: AIM / Sector: Mining

27 August 2024

**GreenRoc Strategic Materials Plc**  
("GreenRoc" or the "Company")

**Amitsoq Update**  
**LOI Signed for AAM Plant Site &**  
**Application Submitted for EU Strategic Project Status**

GreenRoc Strategic Materials plc (AIM: GROC), a company focused on the development of critical mineral projects in Greenland, is pleased to announce that it has signed a Letter of Interest ("LOI") to secure an area in Southern Norway for the Company's planned graphite Active Anode Materials ("AAM") production plant. GreenRoc has also applied for "Strategic Project" status under the EU's Critical Raw Materials Act ("CRMA") and has submitted the Project Description for the Amitsoq Graphite Mine in South Greenland to the Government of Greenland as part of the Company's path to achieving an Exploitation Licence.

**Highlights**

*LOI for AAM Plant*

- GreenRoc has signed an LOI with Otra Holding a/s, the owner of Eyde Materials Park in southern Norway, a sustainable industrial park focused on the battery value chain and the green transition, to reserve an area of 100,000m<sup>2</sup> for GreenRoc's AAM plant.
- A new powerline providing 800MW to the area is planned for 2027 and an industrial road leading the 5km to Port of Arendal at Eyde is under planning/construction.

*Application for EU Strategic Project Status*

- GreenRoc has submitted its application to the EU for each of the Amitsoq Graphite Mine and AAM Plant to be designated as a "Strategic Project" under the EU's CRMA. The processing of applications will take place in the autumn of 2024, with the first round of Strategic Projects expected to be announced by December 2024.
- Being awarded Strategic Project status brings several potential advantages, such as priority treatment in the permitting process, potential eligibility for financial support from EU funding programmes and enhanced visibility and attractiveness to investors.

*Submission of Project Description as part of Exploitation Permit Process*

- As part of the process of obtaining the grant of an Exploitation Permit for the Amitsoq Graphite Mine, GreenRoc has submitted its final Project Description to the Greenlandic Government for approval, prior to public consultation.

**Details**

*LOI for AAM Plant*

Following a lengthy evaluation process, the Company has selected Eyde Materials Park in southern Norway as the preferred location for its European AAM plant.

Power costs in Norway are among the lowest in Europe, and Norway also generates a high proportion of its electricity from renewable sources. These are important factors for GreenRoc in any decision as to the location of its AAM Plant. Further, Norway recently signed a partnership agreement with the EU in relation to critical raw materials and the country has a long history of hosting large-scale mineral processing industries.

Several attractive sites in Norway have been evaluated by GreenRoc. Eyde Material Park in southern Norway, near the town of Arendal (see Figure 1), has been selected as it is considered to offer a great deal of flexibility. Eyde Material Park is a sustainable industrial park focused on the battery value chain and the green transition. The park is placed within an industrial ecosystem referred to as Norway's "Battery Coast" and which includes a range of processing and manufacturing industries.

An LOI has been signed between GreenRoc and the owner of Eyde Material Park, Otra Holding a/s. The LOI concerns a single piece of land covering 100,000m<sup>2</sup> in the Longum Nord area of Eyde Materials Park. The Longum Nord area is reserved for battery-related industries. The LOI reserves the area for GreenRoc for an initial period of 6 months from the date of the signature, which may be extended by mutual agreement.

Longum Nord is ca 5km from Port of Arendal (Figure 1) which in turn is only about five days' shipping time from the Company's planned graphite mine at Amitsoq in southern Greenland. The regulations for large and power-consuming industries are in place and Longum Nord now only awaits the final approval of infrastructural layout from Arendal municipality. The land that GreenRoc has reserved can be ready for construction by 2025. An industrial road to connect the Port of Arendal and Longum Nord is under final construction. A new power supply of 800MW is planned for the area. The Longum Nord site lies opposite Morrow Batteries' Gigafactory (see Figure 1), which will be Europe's first battery factory of the lithium-ion phosphate ("LFP") type, presently in the final stages of construction. Morrow Gigafactory was officially inaugurated by the Norwegian Prime Minister on 16 August 2024.

#### *Application for EU Strategic Project Status*

GreenRoc has applied for the Amitsoq Graphite Project to be designated a Strategic Project under the EU CRMA.

Two separate applications have been submitted, one concerning the extraction of flake graphite concentrate from the planned Amitsoq Graphite Mine and the other concerning the production of AAM using Amitsoq graphite concentrate as feedstock. The applications were submitted in the first round of the application process, which ended on 22 August 2024. The Company understands that applications will be evaluated in the coming months with the announcement of those projects to have been granted Strategic Project status expected in December 2024.

The European Union's Critical Raw Materials Act ("CRMA") is designed to ensure the EU's access to a secure, sustainable, and diversified supply of critical raw materials ("CRMs") that are essential for the green and digital transitions, as well as for defence and space applications. One key component of this legislation is the identification and support of "Strategic Projects" related to the extraction, processing, and recycling of CRMs.

Strategic Projects under the CRMA are initiatives that are identified as critical to the EU's objectives of securing a stable supply of CRMs. These projects can be located both within the EU and in an Overseas Country and Territory ("OCT"), provided they contribute significantly to the EU's supply chain resilience. Greenland is an OCT associated with the European Union (EU).

To be designated as a Strategic Project, a project must meet several criteria:

- (1) **Significant Contribution:** The project should make a substantial contribution to the EU's CRM supply chain, reducing dependency on non-EU sources or enhancing processing and recycling capabilities;
- (2) **Sustainability and Circularity:** The project should adhere to high environmental standards, including sustainable extraction and processing practices, and should contribute to circular economy goals through recycling and reuse;
- (3) **Economic Viability:** The project must be economically viable, with a clear business case that shows it can operate profitably;
- (4) **Innovation and Technology:** The project should involve innovative technologies or processes that advance the EU's capabilities in CRM extraction, processing, or recycling; and
- (5) **Strategic Importance:** The project should align with the broader goals of the EU, such

as the Green Deal, digital transformation, and strategic autonomy in critical sectors such as energy, defence, and space.

Projects designated as Strategic Projects under the CRMA can benefit from:

- Simplified and Accelerated Permitting: Strategic Projects can receive priority treatment in the permitting process, with faster decision timelines;
- Access to Funding: these projects may be eligible for financial support from EU funds, including grants, loans, or guarantees from instruments like the InvestEU program;
- Enhanced Visibility: being recognised as a Strategic Project can enhance a project's visibility and attractiveness to private investors; and
- Collaboration and Partnerships: Strategic Projects may facilitate greater collaboration between EU Member States, industry stakeholders, and international partners.

#### *Submission of Project Description as part of Exploitation Permit Process*

On 15 August 2024, GreenRoc submitted the Amitsoq Mine Project Description to the Greenland Government for final approval. The Project Description is a document which describes all of the main elements of a mining operation, including mining method, lists of staffing and siting of infrastructure, tailings storage facilities, energy generation etc. The Project description is prepared in Greenlandic and Danish versions supplemented by a technical and more detailed version in English. Following the Government's approval, with any requested edits, the Project Description then proceeds to a public consultation for a minimum of 35 days, after which a "White Book" is prepared. The White Book contains the response from the stakeholders and a commentary from the applicant company on issues raised. GreenRoc's Project Description and White Book, along with the 2023 Mineral Resource Estimate report for Amitsoq, will then be formally submitted as part of the Company's application for an Exploitation Licence. This application is expected to be ready for submission this autumn.

#### **GreenRoc's CEO, Stefan Bernstein, commented:**

*"I am very pleased that our search for the best location for our AAM plant has ended with such an attractive location. Norway has amongst the lowest energy prices in Europe and also the lowest CO2 emission per unit of produced electrical energy. Eyde Material Park has been able to offer flexible terms which allows us to plan ahead for the coming time. Another attraction is that Norway has a National Battery Strategy with a variety of financial and other support programs in place to help industries such as ours, to get started. In addition, Norway has a long tradition of hosting heavy processing industries and has all the necessary regulations in place to ensure that such activities are undertaken with due respect for working conditions as well as the environment.*

*"It is also with great anticipation that we have filed our applications for both our Amitsoq Graphite Mine and our future Graphite AAM Plant to be designated as Strategic Projects under the EU's Critical Raw Materials Act. Becoming a Strategic Project will not only provide access to the public financing of our work programmes but also enhance our profile and attractiveness to potential offtakers and other strategic partners.*

*"Lastly, I am pleased to report that we have now sent our Project Description for the Amitsoq Mine to the Government of Greenland for final approval, prior to the public consultation which is expected to take place this autumn. This is an important step towards the grant of an Exploitation Licence for the project."*





Figure 1, showing the location of Longum Nord (labelled "Longum"). Note that the buildings shown are a graphic representation of expected future development. The industrial road connecting the Port of Arendal (Arendal Havn) with the industrial sites is shown in green and will be extended into Longum Nord. Morrow's Gigafactory is also shown. A motorway runs between Morrow's Gigafactory and Longum Nord, connecting Arendal and southern Norway with the capital city, Oslo (source: Eyde Materials Park).

**This announcement contains inside information for the purposes of the UK Market Abuse Regulation and the Directors of the Company are responsible for the release of this announcement.**

#### **Forward Looking Statements**

*This announcement contains forward-looking statements relating to expected or anticipated future events and anticipated results that are forward-looking in nature and, as a result, are subject to certain risks and uncertainties, such as general economic, market and business conditions, competition for qualified staff, the regulatory process and actions, technical issues, new legislation, uncertainties resulting from potential delays or changes in plans, uncertainties resulting from working in a new political jurisdiction, uncertainties regarding the results of exploration, uncertainties regarding the timing and granting of prospecting rights, uncertainties regarding the timing and granting of regulatory and other third party consents and approvals, uncertainties regarding the Company's or any third party's ability to execute and implement future plans, and the occurrence of unexpected events. Actual results achieved may vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors.*

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#### **About GreenRoc**

GreenRoc Strategic Materials Plc is an AIM-quoted company which is led by a group of highly experienced mining industry professionals.

GreenRoc is developing two significant critical raw material projects in Greenland:

- The Amitsoq Graphite Project, one of the highest-grade graphite deposits in the world with

a combined Measured, Indicated and Inferred JORC Resource of 23.05 million tonnes (Mt) at an average grade of 20.41% graphite, giving a total graphite content of 4.71 Mt; and

- The Thule Black Sands Ilmenite Project ('TBS'), which has an initial Mineral Resource of 19Mt at 43.6% Total Heavy Minerals with an in-situ ilmenite grade of 8.9%.

#### **About Amitsoq**

- Amitsoq is located in the Nanortalik region of southern Greenland, in year-round ice-free waters and on the same latitude as far northern Scotland.
- GreenRoc is focused on fast-tracking the development of Amitsoq into a producing mine in the shortest possible timeframe to meet critical demand from Electric Vehicle ('EV') manufacturers in Europe and North America for new, high grade and conflict-free sources of graphite.
- The Amitsoq Island Deposit has a total inferred, indicated and measured JORC Resource of 23.05 million tonnes (Mt) at an average grade of 20.41% Graphitic Carbon ("C(g)"), giving a total graphite content of 4.71 Mt. This makes Amitsoq one of the highest-grade graphite projects in the world.
- Significant further resource upside exists at Amitsoq as the Amitsoq Island Deposit is open in at least two directions, with potential for considerable further expansion via the similarly high-grade Kalaaq Mainland Deposit as well as a series of other high-grade targets within GreenRoc's licence package.
- The Amitsoq Island Deposit was in small-scale production about 100 years ago, and there remains considerable underground mine development in place from that time, which will be of considerable benefit to GreenRoc in the mine construction phase.
- In GreenRoc's test work programmes:
  - Micronisation and spheronisation test work has proven that Amitsoq graphite can be readily upgraded to high-grade, anode-quality graphite, known as high purity spherical graphite or cSPG, a critical component in the Li-ion battery of an EV.
  - Amitsoq spheronised graphite has achieved higher than 99.95% purity with relatively little energy input and processing and using a milder alkaline purification method compared to the industry standard hydrofluoric acid, boding well for future production costs and sustainability commitments.
  - Electrochemical testing of Amitsoq graphite anode material within a test Li-ion battery cell has shown that it performs very well, in part due to its good crystallinity.
- The results of a Preliminary Economic Assessment (or PEA) for Amitsoq released on 31 October 2023 give a post-tax NPV8 for the Project of US\$179M, an IRR of 26.7% and capex estimated at US\$131M (including a 25% contingency). These figures solely relate to the economics of a mining and primary processing operation in South Greenland and do not take into account any potential upside from a downstream processing operation which GreenRoc intends to establish in Europe or the USA.
- In relation to that downstream business, GreenRoc has now completed a Feasibility Study into the establishment of a graphite spheronisation processing plant to produce cSPG from graphite concentrate delivered from Amitsoq. This Feasibility Study has been part-financed by a grant of approximately £250,000 from the UK's Automotive Transformation Fund and the results were published in the announcements of 7 May and 10 July 2024 which showed a post-tax NPV8 for the Project of US\$621M, an IRR of 26.5% and capex estimated at US\$340M (including a 25% contingency).
- Following a detailed evaluation process, the European Raw Materials Alliance has expressed its support of GreenRoc and its Amitsoq graphite project, stating that: *"GreenRoc's graphite resource is of global importance and, together with the Company's strategy, will enable the European Union to achieve a certain level of independence for the electrical vehicle supply chain. ERMA has approved the Amitsoq Graphite project and will engage to support its development and financing to produce these critical raw materials for the benefit of the European Union goals"* (see RNS dated 8 February 2023).
- The Company recently received a Letter of Interest from the US EXIM Bank with an indication of its preparedness to finance up to US\$3.5M of the Company's work program on the Amitsoq mine and the downstream cSPG (or AAM) plant (see RNS of 15 April 2024).

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