

MARVEL ASSESSING OPTIONS FOR ITS CHILALO GRAPHITE PROJECT

HIGHLIGHTS

- Marvel is reviewing options to unlock the value of its 100%-owned Chilalo Graphite Project – a fully permitted, world-class graphite asset in Tanzania, with expenditure to date exceeding A\$21 million
- Following six years of exploration and project development, a definitive feasibility study was completed in January 2020 resulting in a post-tax NPV₈ of US\$331M over an 18-year mine life¹

Marvel Gold Limited (ASX: MVL) (**Marvel** or the **Company**) advises that it has received numerous investor enquiries about its 100%-owned Chilalo Graphite Project (**Chilalo Project**) and is giving consideration to the best pathway to maximise value for Marvel shareholders, including a possible demerger and IPO. Any such transaction would likely reward existing shareholders with priority shareholdings and preferential rights to participate in capital raised.

The graphite market outlook is very strong with electric vehicles forecast to drive +700% growth in natural graphite demand by 2025 according to Roskill. Global demand for ex-China graphite supply has increased since the onset of the COVID-19 pandemic and a strict focus on ethically sourced supply chains. Given China historically accounts for ~70% of global graphite supply, this is a compelling opportunity for projects with product quality such as Chilalo.

Managing Director, Phil Hoskins, commented: *“Chilalo is the forgotten sleeper within Marvel’s asset portfolio. Since re-positioning the Company in March last year, our focus has quite rightly been on advancing our exciting gold projects in Mali, where the Tabakorole Project has grown to a near one million ounce resource² with resource expansion drill results expected imminently. Notwithstanding that focus, Chilalo remains a quality asset, and the Company has continued to entertain interest from strategic investors, industry partners and project financiers.*

“The graphite market is now primed for new entrants as the electrification of the world grows from concept stage to mainstream acceptance. Chilalo, as a world-class graphite project permitted for construction, is strongly positioned to secure development finance.

“Investor enquiry has recently intensified, and we are pro-actively assessing transaction options for Chilalo that optimise value to Marvel shareholders. The Company intends to finalise the preferred path as soon as possible and we look forward to providing updates as this develops.”

THE CHILALO PROJECT

A definitive feasibility study (**DFS**) completed in January 2020 demonstrated that the Chilalo Project is a robust project based on a Probable Ore Reserve of 9.2 million tonnes¹, underpinning an estimated 18-year mine life producing approximately 50,000tpa. Key outcomes of the DFS included¹:

- Post-tax NPV₈ of US\$331 million
- Post-tax internal rate of return of 36%

¹ ASX announcement 29 January 2020.

² ASX announcement 30 September 2020.

- Post-tax payback period of 3.5 years
- Pre-production capital cost of US\$87.4 million
- Average annual EBITDA of US\$74 million

The DFS, which was prepared to a bankable standard to support a decision to mine and finance, positions the Chilalo Project as the centrepiece of a company that is a vertically integrated manufacturer of high-value graphite products.

Chilalo is permitted for development with environmental approvals, a granted mining licence, community relocation arrangements and compensation agreed and approved. The highest environmental, social and governance (ESG) standards have been adopted in the DFS with documentation associated with environmental and community factors aligning with IFC Performance Standards and the Equator Principles.

Progression to construction could proceed as soon as financing is secured, and the Company has continued discussions with many potential financiers and strategic investors who continue to view Chilalo as a quality graphite project having significant economic potential. Any new company developing Chilalo may seek to undertake further optimisation of the DFS with opportunities identified to reduce the capital cost and significantly reduce mining costs.

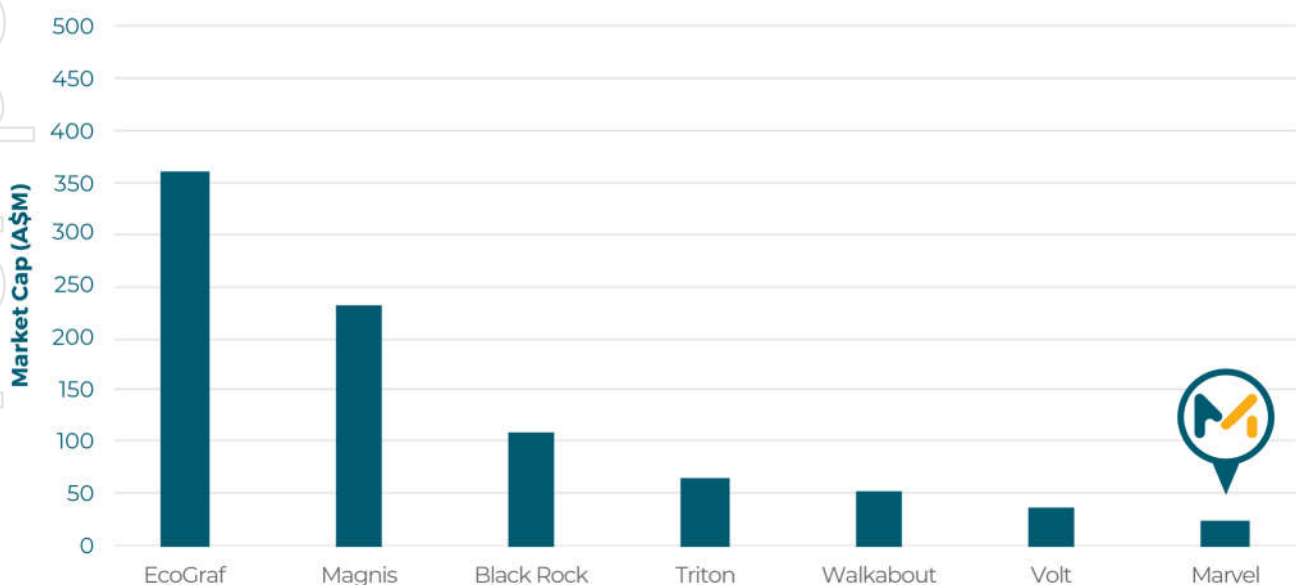
DEBT OWED TO CASTLELAKE

Pursuant to an agreement reached with CL V Investment Solutions LLC, an entity managed by Castlelake L.P. (**Castlelake**), the Company agreed to undertake a sell-down or refinancing of the Chilalo Project, to enable repayment of a debt owed by the Company to Castlelake, which currently stands at US\$7.37 million³. Repayment of the debt owed to Castlelake is a central element of any Chilalo transaction.

NEGLIGIBLE GRAPHITE VALUE IN MARVEL'S SHARE PRICE

Figure 1 below shows Marvel's market capitalisation relative to its graphite peer group.

Figure 1: Market capitalisation of Chilalo's graphite peer group (A\$M)⁴

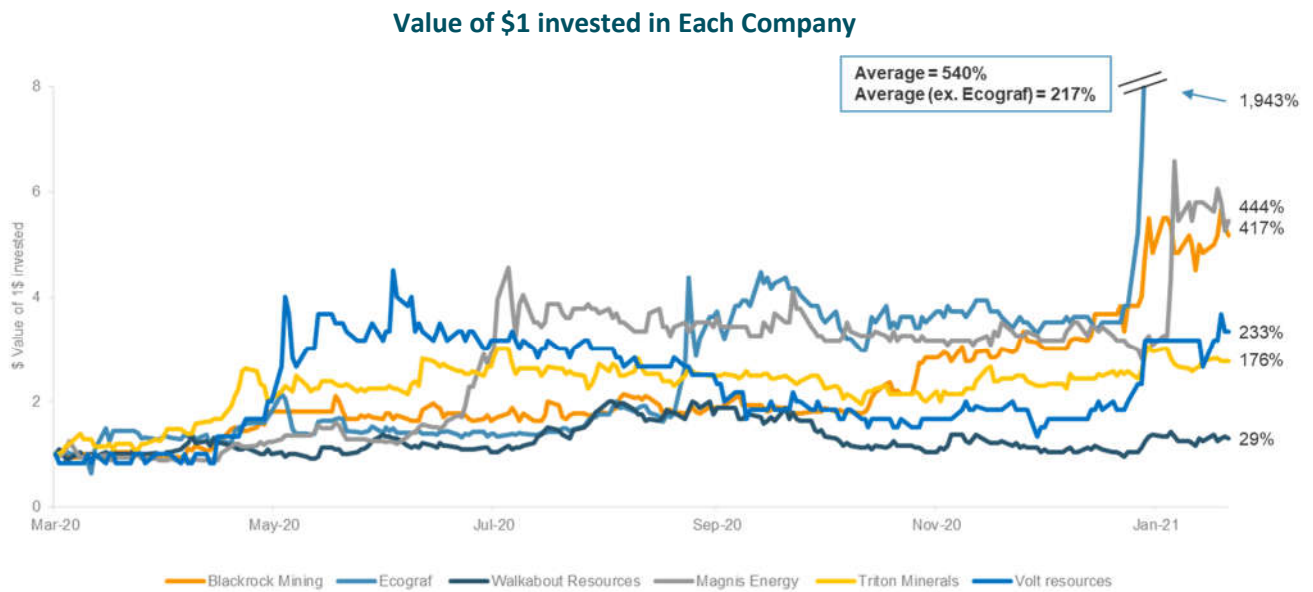


³ For further information on the debt owed to Castlelake, see ASX announcement dated 17 June 2020.

⁴ Based on ASX share prices as at 12 February 2021 – see Appendix A for supporting information.

The share prices and valuations of Chilalo’s peers since 23 March 2020 (the date Marvel changed strategic direction from graphite to gold) are also shown in Figure 2 below.

Figure 2: Share price movements of Chilalo’s peer group since 23 March 2020⁵



This announcement has been approved for release by the board.

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For more information, visit www.marvelgold.com.au.

⁵ Based on ASX share prices as at 12 February 2021 – see Appendix A for supporting information.

Reference to Previous ASX Announcements

In relation to the Ore Reserve estimate previously reported on 29 January 2020, Marvel confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 29 January 2020 and that all material assumptions and technical parameters underpinning the Ore Reserve estimate in that announcement continue to apply and have not materially changed.

In relation to the results of the Bankable Feasibility Study announced on 29 January 2020, the Company confirms that all material assumptions underpinning the production target and forecast financial information included in that announcement continue to apply and have not materially changed.

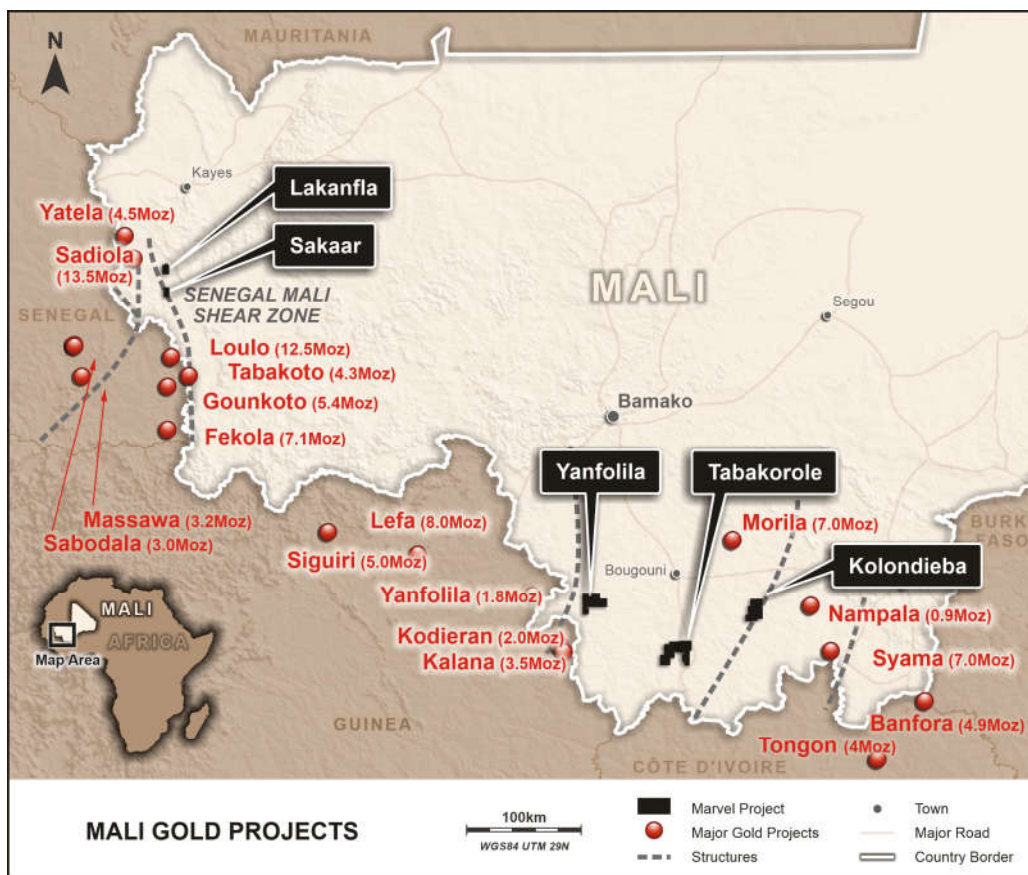
In relation to the announcement of the Tabakorole Mineral Resource estimate on 30 September 2020, the Company confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the Mineral Resource in that announcement continue to apply and have not materially changed.

About Marvel Gold

Marvel Gold Limited is an Australian resources company listed on the Australian Securities Exchange under stock code MVL. Marvel is a Mali-focused gold explorer with advanced gold exploration projects and extensive landholdings in South and West Mali.

The Tabakorole Gold Project has a large existing resource with opportunities to expand along strike and via regional exploration. The Lakanfla Gold Project is located 15km from the Sadiola gold mine. Marvel has an experienced board and management team with specific skills, and extensive experience, in African based exploration, project development and mining.

Marvel Gold: Project Location Map



APPENDIX A. PEER GROUP INFORMATION

Name	Marvel Gold	EcoGraf	Magnis	Black Rock	Triton	Walkabout	Volt
Ticker	MVL	EGR	MNS	BKT	TON	WKT	VRC
Market Cap (A\$M)	26	360	230	111	66	54	38
Resource (Mt contained graphite)	2.0	3.0	9.4	16.5	3.0	4.5	22.6
Resource Grade (TGC%)	9.9%	9.9%	5.4%	7.8%	6.6%	10.8%	4.9%
Reserve (Mt contained graphite)	0.9	1.0	3.6	6.0	1.5	1.0	5.6
Reserve Grade (TGC%)	9.9%	8.3%	4.8%	8.5%	6.2%	17.9%	4.4%
Stage of graphite development	DFS + fully permitted	DFS + fully permitted	DFS + fully permitted	DFS + fully permitted	DFS + fully permitted	DFS + fully permitted	DFS + fully permitted
Downstream graphite business	Expandable and micronised graphite DFS	Battery Anode Materials DFS	JV ownership of 2 planned battery plants	N/A	N/A	N/A	N/A
Non-graphite assets	Mali gold (910koz)	N/A	N/A	N/A	N/A	Tanzania / Scotland gold (early stage)	Guinea gold (early stage)
Source	Internal	ASX announcement - 31 July 2017	Website	Website	Presentation - 22 June 2020	Website	Website