



MINERAL COMMODITIES LTD

2019 **ANNUAL** GENERAL MEETING
30TH MAY

Presented By: Executive Chairman **MARK CARUSO**

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Nothing in these materials shall under any circumstances create an implication that there has been no change in the affairs of MRC since the date of this presentation. The information, if any, in this presentation which relates to Exploration Results, Mineral Resources or Ore Reserves for Tormin is based on information compiled by Dr Joseph A.P. Drake-Brockman, who is a Member of the AusIMM and is an independent consultant to the Company. Dr Drake-Brockman is an employee of Drake-Brockman Geoinfo Pty Limited and has over 36 years' of exploration and mining experience in a variety of mineral deposits and styles. Dr Drake-Brockman has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012). The information from Dr Drake-Brockman was prepared under the JORC Code (2012). Dr Drake-Brockman consents to inclusion in the presentation of the matters based on this information in the form and context in which it appears.

The information, if any, in this presentation which relates to Mineral Resources for Munglinup is based on information compiled by Mr Adriaan du Toit who is a member of the AusIMM and an independent consultant to Gold Terrace Pty Ltd. Mr du Toit is the Director and Principal Geologist of AEMCO Pty Ltd and has over 27 years' of exploration and mining experience in a variety of mineral deposits and styles. Mr du Toit has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined by the JORC Code (2012). The information from Mr du Toit was prepared under the JORC Code (2012). Mr du Toit consents to inclusion in the presentation of the matters based on this information in the form and context in which it appears.

The information, if any, in this presentation which relates to the Ore Reserve for Munglinup is based on information compiled by Mr Daniel Hastings, who is a Member of the AusIMM. Mr Hastings is an employee of Hastings Bell Pty Ltd and a consultant to the Company. Mr Hastings has sufficient experience relevant to the type of deposit under consideration to qualify as a Competent Person as defined by the JORC Code (2012). Mr Hastings consents to the inclusion in the presentation of the matters based on the reviewed information in the form and context in which it appears.

The information, if any, in this presentation that relates to metallurgy, the process plant and infrastructure design for Munglinup is based on information compiled and reviewed by Mr David Pass, who is a Member of the AusIMM. Mr Pass is an employee of Battery Limits Pty Ltd. Mr Pass has sufficient experience relevant to process plant and infrastructure design thereof to qualify as a Competent Person as defined by the JORC Code (2012). Mr Pass consents to the inclusion in the presentation of the matters based on the reviewed information in the form and context in which it appears.

The information, if any, in this presentation which relates to Exploration Results, Mineral Resources or Ore Reserves for Xolobeni is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences (“AIG”), a Corporate Member of the Australasian Institute of Mining & Metallurgy (“AusIMM”) and independent consultant to the Company. Mr Maynard is the Director and Principal Geologist of Al Maynard & Associates Pty Ltd and has over 38 years' of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves (“JORC Code (2004)”). This information was prepared and first disclosed under the JORC Code (2004). It has not been updated since to comply with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (“JORC Code (2012)”) on the basis that the information has not materially changed since it was last reported. Mr Maynard consents to inclusion in the presentation of the matters based on this information in the form and context in which it appears.

MINERAL COMMODITIES LTD

Converting High Grade to High Value

High Grade Mine Operations – Tormin/South Africa, one of the highest grade mineral sands operations in the world and Skaland Graphite in Norway

Diversification - Geographic and Commodity into battery minerals with proposed acquisition of graphite production at Skaland and future development at Munglinup

Fully Funded 2019 business development, Munglinup project feasibility studies, acquisition of Norwegian graphite producer Skaland Graphite AS and exploration programs

Investment - industry leading dividend returns to shareholders through stringent capital management



TORMIN

MUNGLINUP

SKALAND

Our philosophy of how high grade mining turns into high value



TORMIN HIGH GRADE HEAVY MINERAL SANDS OPERATION

2018 provided Mineral Commodities Ltd with record operational and processing performance while maintaining its culture-driven safety standard

2014

2018



MUNGLINUP & SKALAND HIGH GRADE GRAPHITE DEVELOPMENT AND PRODUCTION

2018 will be remembered as the year that MRC commenced its transition from a high grade mineral sands producer to a high grade graphite producer

FINANCIAL PERFORMANCE

The Tormin Mineral Sands Operation continued to generate positive cash flows

US\$55.4
million

REVENUE

Impacted by lower concentrate volumes shipped during 2018, partially offset by higher zircon, rutile and ilmenite concentrate prices achieved

AU1.3
cents
per
share

FINAL DIVIDEND

The Company's dividend payment strategy to provide cash returns to shareholders continued, with a further US\$3.8 million delivered to shareholders

US\$12.4
million

CASH POSITION UP 13%

Up from US\$11.0 million cash on hand at the commencement of the year

US\$14.7
million

EBITDA

The lower overall sales volumes and revenue, in conjunction with increased corporate overheads, translated into the lower reported EBITDA

US\$8.8
million

NPAT

Impacted by lower shipping volumes and mined grades. Partially offset by improved sales pricing, plant performance and a lower effective tax rate

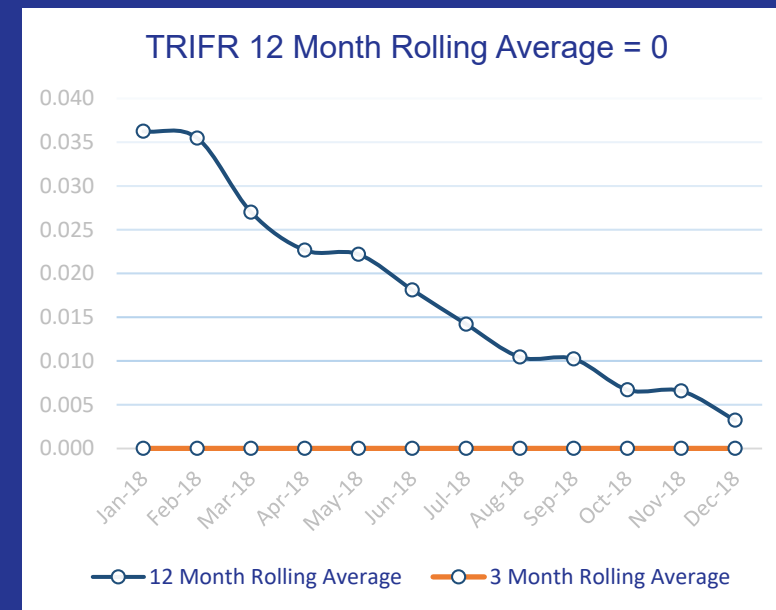
US\$14.5
million

CASH FROM OPERATIONS

Strong net cash inflow from operating activities continued to fund the Company's investment program and dividend distributions



TORMIN MINERAL SANDS OPERATION



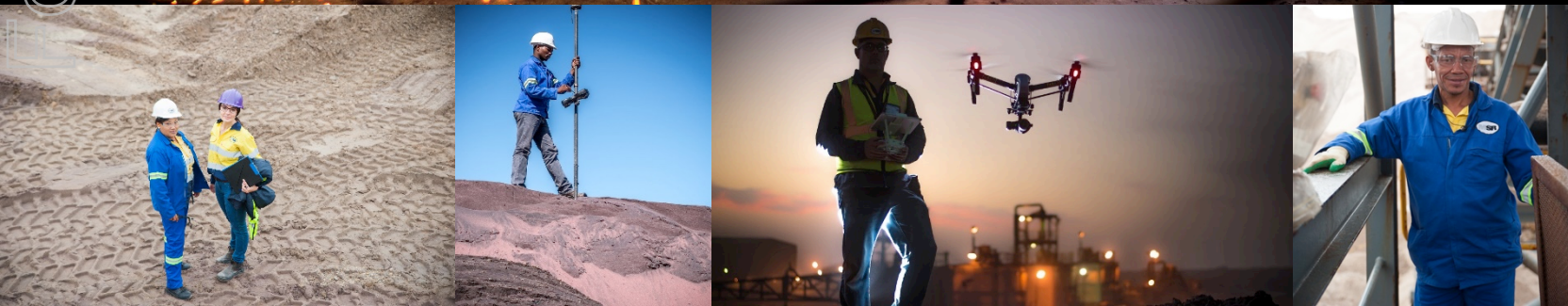
Since commencement of operations
in late 2013, MRC has incurred

1

Lost Time Injury in April 2017, for in
excess of

3.3 million

hours worked



COMMITMENT TO COMMUNITY

R7.2 million

Spent on Historically Disadvantaged South Africans (HDSA) Social Labour Plan, including bursaries, scholarships, traineeships, apprenticeships, adult basic education programs, community-based enterprise and infrastructure support development, and the sponsoring of full-time teachers at local schools.

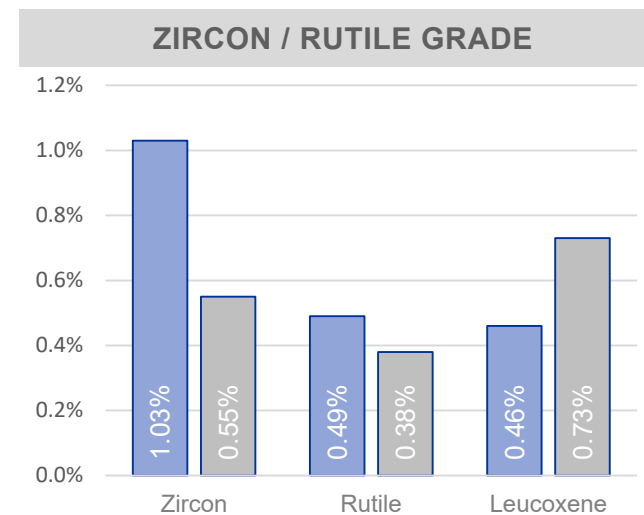
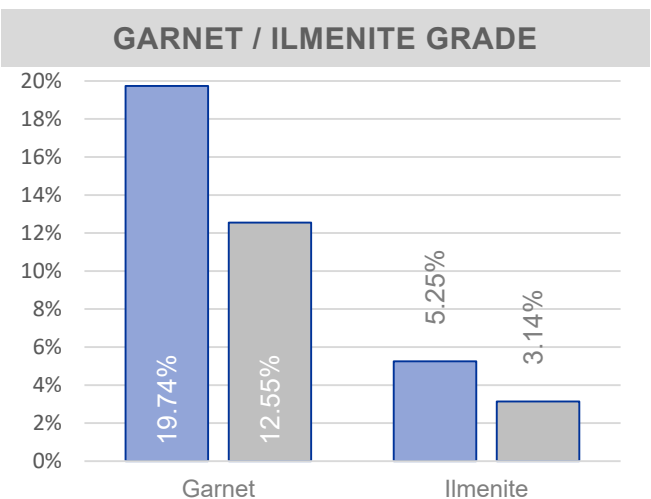
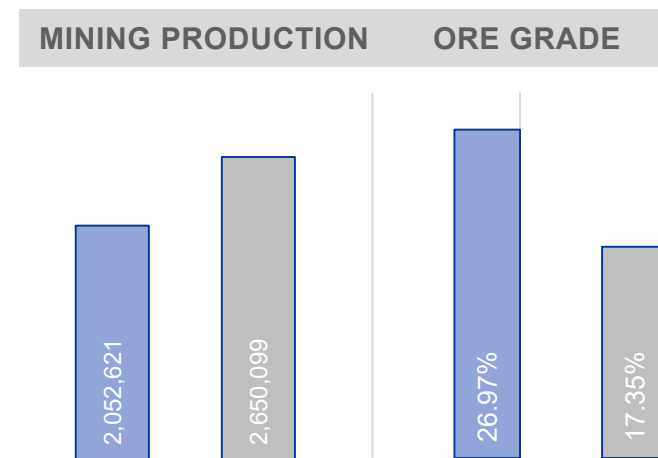
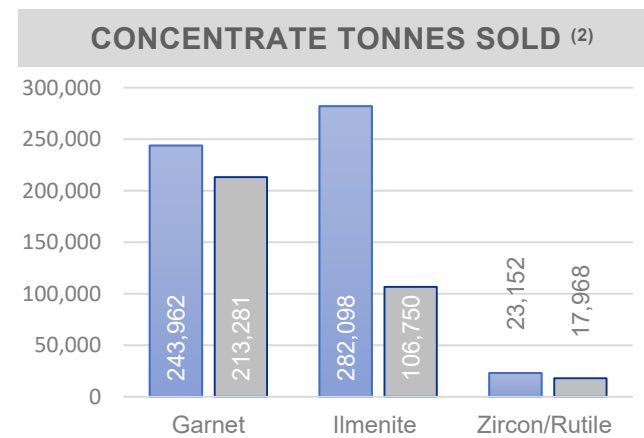
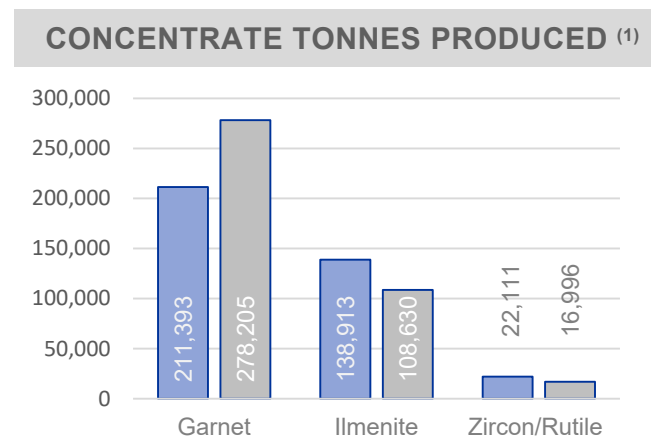
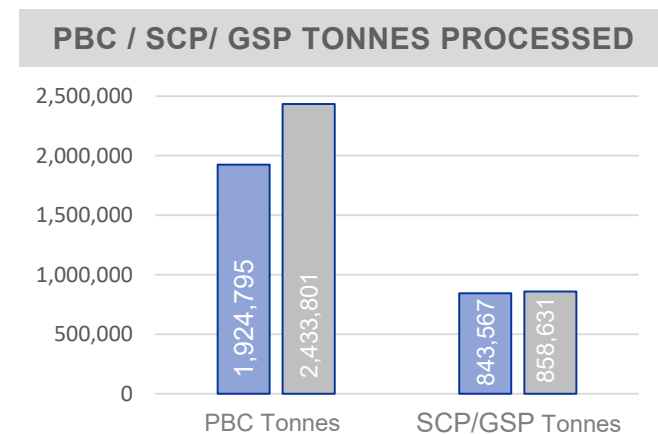
R398 million

Spent on BEE preferential procurement expenditure in 2018, exceeding all targets set under the South African Mining Charter.



PRODUCTION SALES

Production and Sales Performance 2018

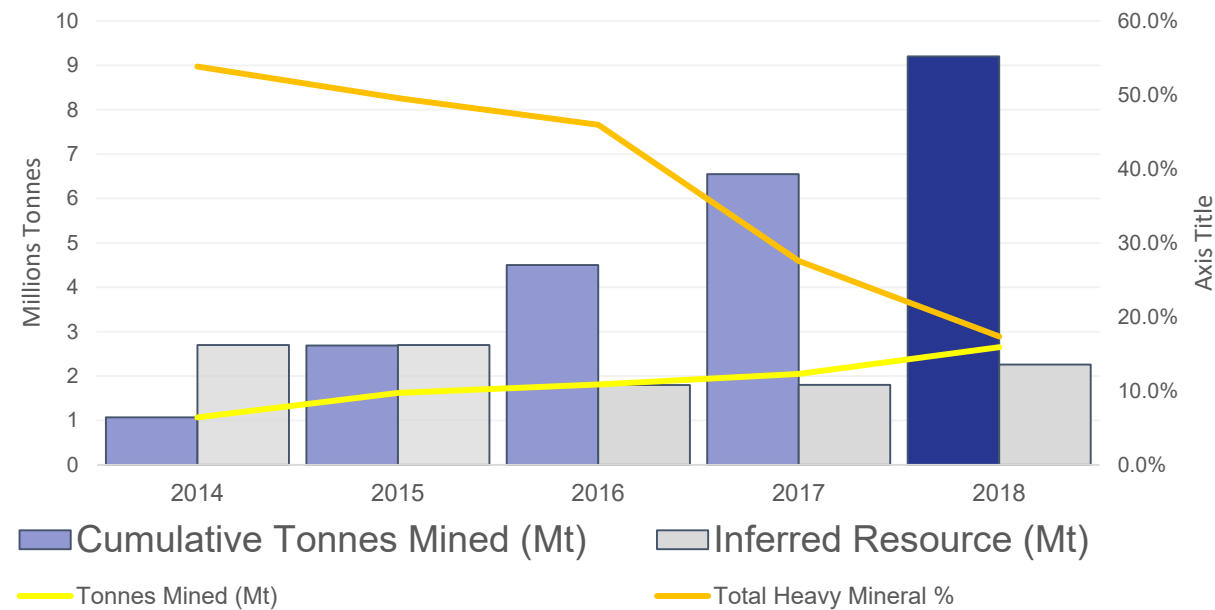


(1) Dry Metric Tonnes
(2) Wet Metric Tonnes

■ FY 2017 ■ FY 2018

TORMIN MINING

The ore body that keeps performing



During FY18 the Company mined 147% of the December 2017 Inferred Resource at 9% higher grade

mined since 2014

9.2Mt

241%
More than original Resource

Indicated Resource – Dec 2013 2.7Mt

Inferred Resource – Dec 2018 2.3Mt

Grade Mined – Total HMC 2014 53.8%

Grade Mined – Total HMC 2018 17.3%

INVESTING IN EXPANSION

Phase 1 - Development increases Primary Beach Concentration Production Capacity

STUDIES AND ENGINEERING

The Section 102 Application and associated mining programs include a minimum 10-year mine life on expanded areas

PHASE 1 - PRIMARY BEACH CONCENTRATOR UPGRADE 2019 ⁽¹⁾

Enabling increase throughput from;

300 tph to 480 tph

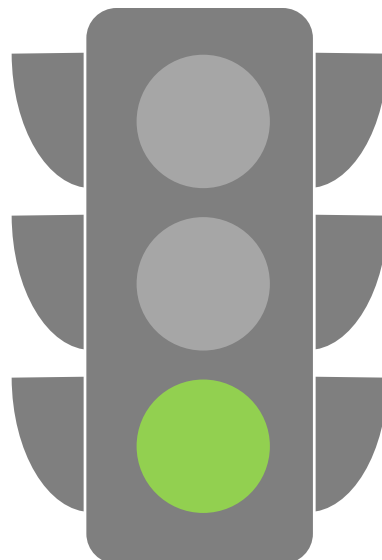
Increase HMC by doubling production capacity to approximately;

700ktpa

ADDITIONAL CONCENTRATE

Concentrate capacity of:

- **66,000tpa** zircon/rutile
- **210,000tpa** of garnet
- **9,000tpa** of magnetite



Phase 2 - Mineral Separation Plant

PHASE 2 - MINERAL SEPARATION PLANT 2020

Planned MSP capacity of 650ktpa Con feed @ 70% utilisation enabling⁽¹⁾ production of :

- Ilmenite **150,000tpa**
- Garnet **120,000tpa**
- Zircon/Rutile **16,000tpa**

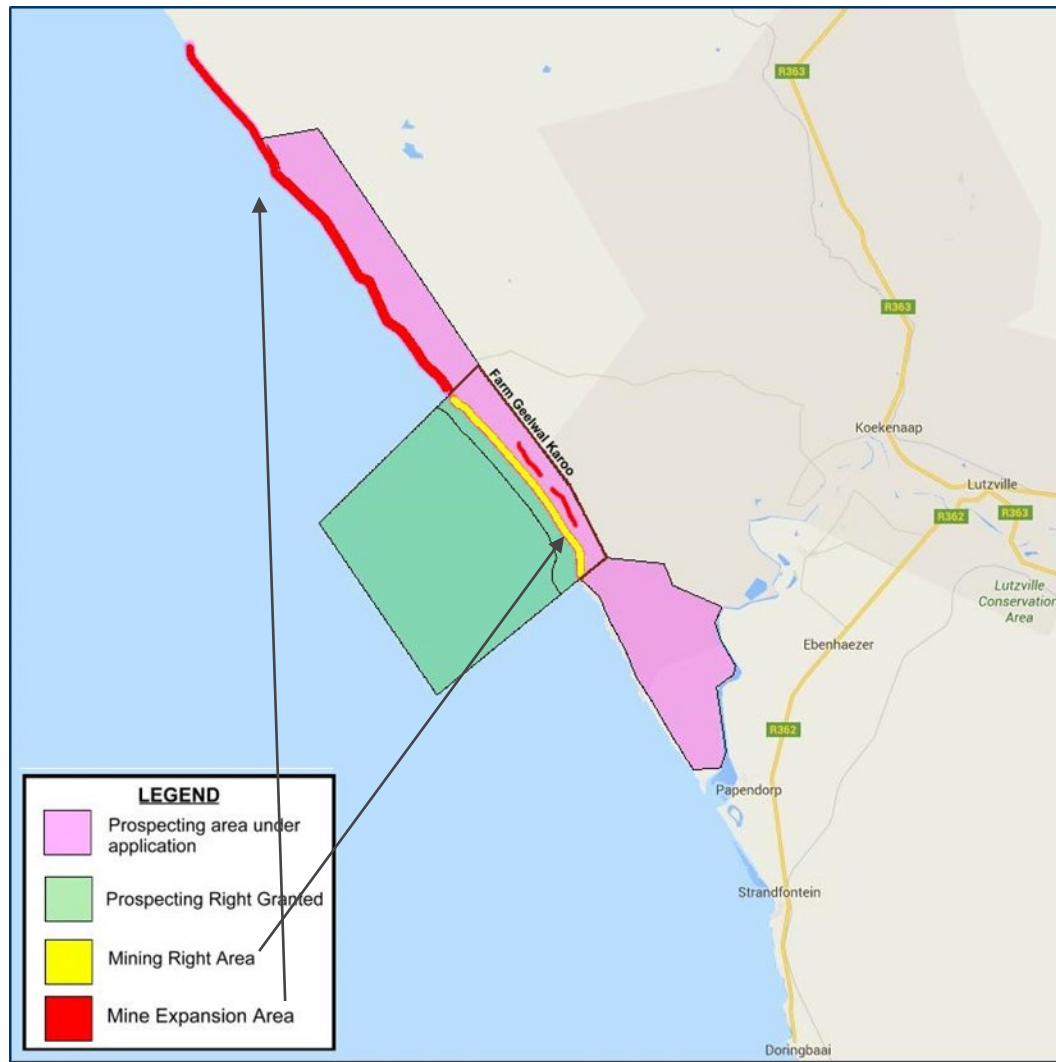
FURTHER OPPORTUNITIES

- Eskom Power Grid Connection
- Logistics via Rail Solution to Saldanha Port
- Desalination for production of fresh water

(1) Specific annual production guidance will be provided upon completion of the Tormin Expansion Pre-Feasibility Study. These present expected capacity only.

MINING EXPLORATION APPLICATIONS

Targeting known heavy mineral resources to secure Tormin future

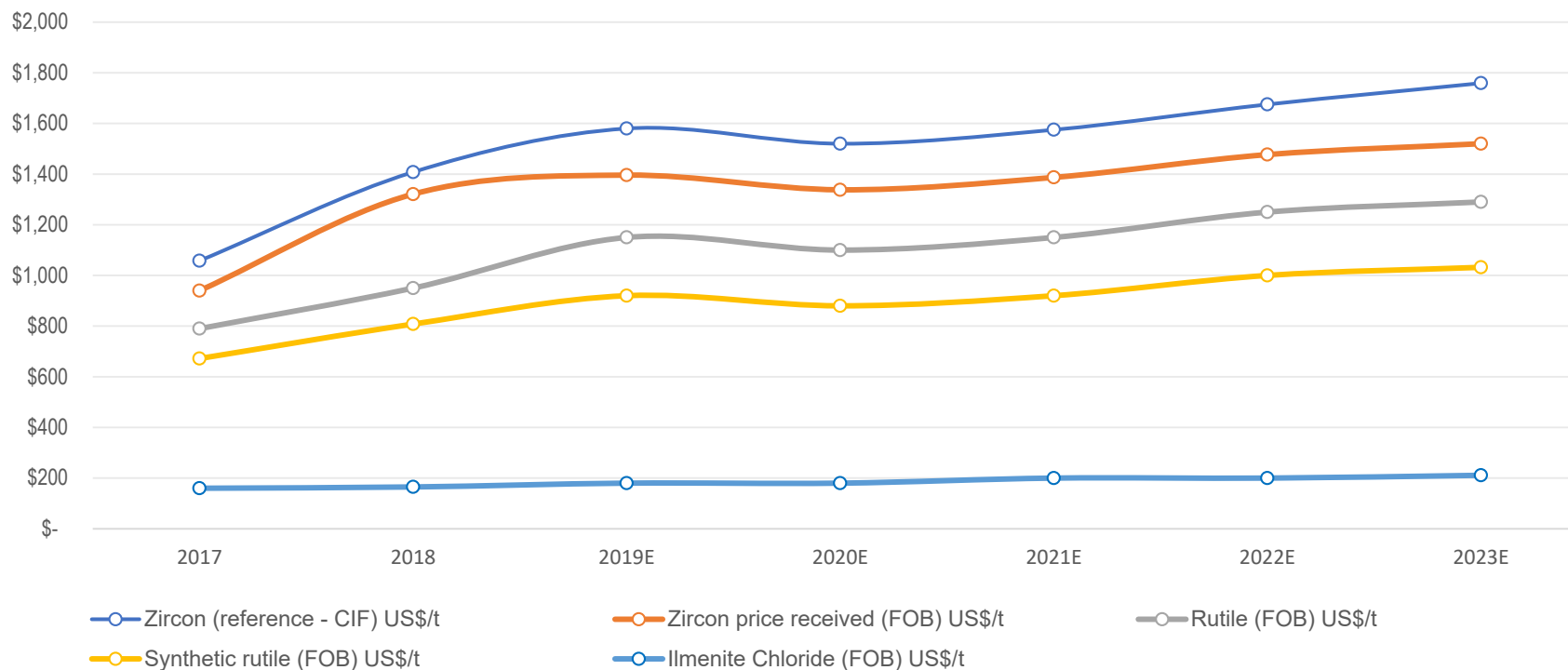


Area	Type	Status
Graauw Duinen	Prospecting	Approved – Under Appeal Decision Pending
Geelwal Karoo	Prospecting	Approved - Under Appeal Decision Pending
De Punt	Prospecting	Approval Appeal Upheld – Remitted to DMR
Klipvley Karoo Kop	Prospecting	Appeal Refused – Considering Options
Tormin Current Operations	Mining Right	Renewal Application - Decision Pending
Geelwal Karoo Inland	Section 102 Expanded Mining Right Application	Under Application – Decision Pending
Northern Beaches		

PRICING OUTLOOK

Where credible forecasters see the market

The zircon market is one of the best structural supply side stories in commodities, in our view. We forecast over a 10% market deficit in 2021 – Goldman Sachs



	2017	2018	2019E	2020E	2021E	2022E	2023E	LR (real)
Zircon (reference - CIF) US\$/t	\$ 1,058	\$ 1,408	\$ 1,580	\$ 1,520	\$ 1,575	\$ 1,675	\$ 1,759	\$ 1,500
Zircon price received (FOB) US\$/t	\$ 940	\$ 1,321	\$ 1,396	\$ 1,338	\$ 1,387	\$ 1,477	\$ 1,520	
Rutile (FOB) US\$/t	\$ 790	\$ 950	\$ 1,150	\$ 1,100	\$ 1,150	\$ 1,250	\$ 1,290	\$ 1,100
Synthetic rutile (FOB) US\$/t	\$ 672	\$ 808	\$ 920	\$ 880	\$ 920	\$ 1,000	\$ 1,032	\$ 880
Ilmenite Chloride (FOB) US\$/t	\$ 160	\$ 165	\$ 180	\$ 180	\$ 200	\$ 200	\$ 211	\$ 180

MUNGLINUP

SKALAND

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MUNGLINUP GRAPHITE PROJECT

High grade mineral resource

- PFS completed in May 2018 outlining a robust and economically justifiable project
- Recent high grade results from infill drilling confirm continuity of mineralisation with positive impact on DFS
- Mineral Resource of 3.6Mt at 15.3% TGC (10% cut-off) with mineralisation open in all directions
- Recent metallurgical test work confirms production of high grade concentrate (>98% TGC)
- 105km west by sealed road from the port of Esperance
- Mining Lease granted to 2031 on designated Mining Reserve
- Encouraging downstream, value add processing opportunities being assessed



MUNGLINUP DEFINITIVE FEASIBILITY STUDY

Coming Soon

Considerable progress achieved - advanced metallurgical test work, resource evaluation, drilling, core sampling, environmental studies, hydrological / geotechnical drilling and regulatory submissions

- High grade results of **7m at 17.2% TGC inc. 3m at 22.4% TGC** from 51m confirm continuity of mineralisation along strike of Halberts South and Whites / McCarthy West zones in both quantum and grade ⁽¹⁾
- Coarse flake (+150µm) distribution accounting for **46% to 57% of the concentrate** ⁽²⁾
- Improvement with coarse flake (+150µm) grades of **95.7% to 97.7% TGC**
- Fine flake (-150µm) concentrate grades of up to **98.3% TGC**

Permitting - Referred to Federal DEE and the EPA (State) in November 2018
- EPA decision to review by referred documents 21st May 2019

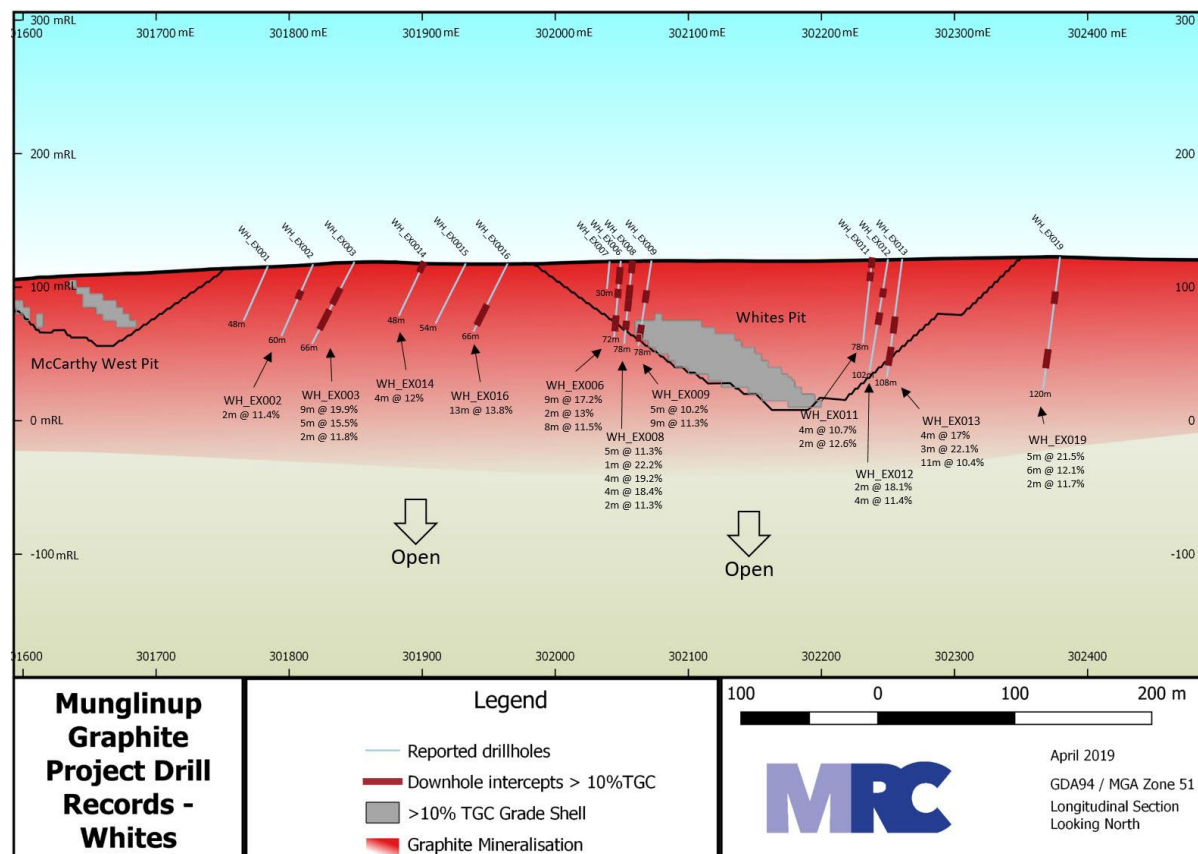
Mondium recently appointed to undertake early engagement works and value engineering, followed by Front-End Engineering Design

(1) ASX RELEASE - UP TO 49.3% TGC HIGH GRADE RESULTS AT MUNGLINUP, 17 April 2019

(2) ASX RELEASE - POSITIVE MUNGLINUP GRAPHITE OPTIMISATION TESTWORK, 22 October 2018

POSITIVE MUNGLINUP GRAPHITE OPTIMISATION TEST WORK RESULTS ⁽²⁾

Test	BF1281	BF1304	BF1289	BF1305	BF1306
Mass in +150µm fraction	48.4%	47.7%	57.0%	46.4%	54.1%
TGC in +150µm fraction	97.7%	96.5%	95.7%	96.5%	97.4%
Mass in -150µm fraction	51.6%	52.3%	43.0%	53.6%	45.9%
TGC in -150µm fraction	94.2%	94.1%	97.2%	98.3%	97.9%
Total TGC Recovery	86.6%	87.1%	86.4%	84.9%	84.6%



SKALAND GRAPHITE AS

Largest flake graphite producer in Europe and the highest grade flake graphite mine in the world

Presently the world's highest grade operating flake graphite mine with mill feed grade averaging around 28% C

Skaland is the largest flake graphite producer in Europe and fourth largest producer globally outside of China

- 10ktpa of graphite concentrate and accounts for ~2% of global annual natural flake graphite production
- Ore grades of 25%-30% C delivered to the plant
- Mining is via retreat sub-level open stoping with 25m levels
- There may be potential for a cave-centric mining method which would reduce mining and development costs
- Graphite at Trælen is well understood between sea level and 200m above sea level
- The original Pre-Feasibility Study of the Trælen deposit was conducted in 1998 and estimated geological resources of 1.25Mt at 22% C





SKALAND TRANSACTION

April 2019 entered into a Share Purchase Agreement (“SPA”) with Leonhard Nilsen & Sønner – Eiendom AS (“LNS”) to purchase Skaland Graphite AS which operates the Trælen Graphite Mine and Skaland Processing Facility.



FUNDED FROM EXISTING CASH RESERVES

Total locked box consideration of US\$9.2M with initial cash consideration at settlement of US\$4.8M, and further US\$4.4M over five years.



ACQUISITION SUBJECT TO EXPANSION

Subject to customary CP's including regulatory approvals to increase production to a minimum of 16,000 tonnes pa and assignment or transfer of material permits and contracts.

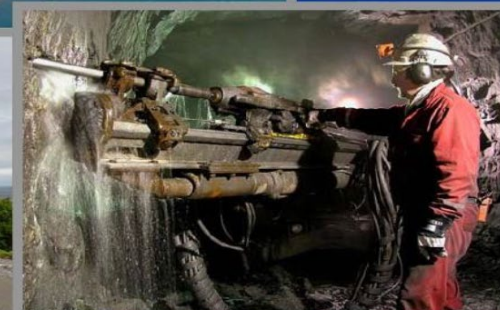
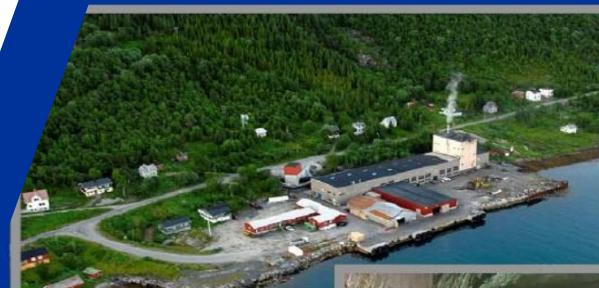


CLOSING BY 30 SEPTEMBER 2019

SKALAND UPSIDE

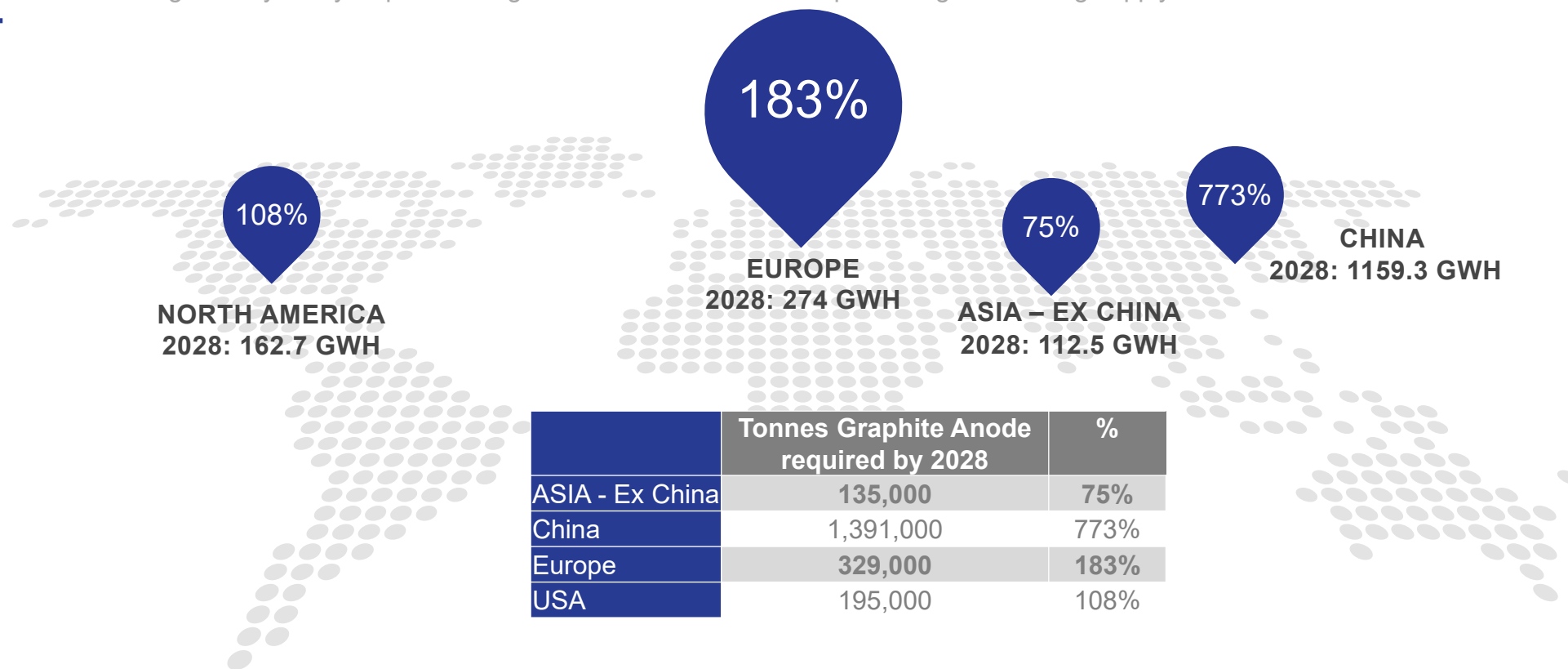
A high grade operation, in a Tier 1 jurisdiction with a long history of production

- Synergistic value of acquisition creates immediate market profile and leverage to market Munghup products
- Technically de-risks Munghup through access to operational data, systems and processes
- Plant optimisation studies already underway
- Plant currently operated at 60% capacity, increase to 85% utilisation rate increases production to 15-16kpta
- Opportunity to improve current flowsheet to produce high purity, high value product
- Achieving a 94%C product for the fines will result in a significant increase to project economics
- Synergistic value of acquisition creates immediate market profile and leverage to market Munghup products
- JORC compliant resource to be collated from existing data (no drilling)
- ~US\$900/annual production tonne acquisition price
- Located in fastest growing market for electric vehicle adoption



PERCENTAGE 2018 SUPPLY

Benchmark Minerals Gigafactory Analysis predicts regional demand in 2028 as a percentage of existing supply ⁽¹⁾



NORWAY IS THE FASTEST GROWING ADOPTER OF EVs IN THE WORLD

Europe is set to become the second largest region for installed GWh capacity. Two sites in Europe are scheduled to produce in excess of 70GWh with total installed capacity forecasted to be 274 GWh by 2028. At 100% utilisation that equates to Graphite Anode demand of 329,000 tonnes. As at 2018 the current global demand was predicted as ~180,000 tonnes. Based on similar analysis global graphite anode demand could reach as high as 2.05m tonnes ⁽²⁾ by 2028.

(1) – Benchmark Minerals - Lithium in 2019 & The Exchange Traded Opportunity, Andrew Miller, May 2019

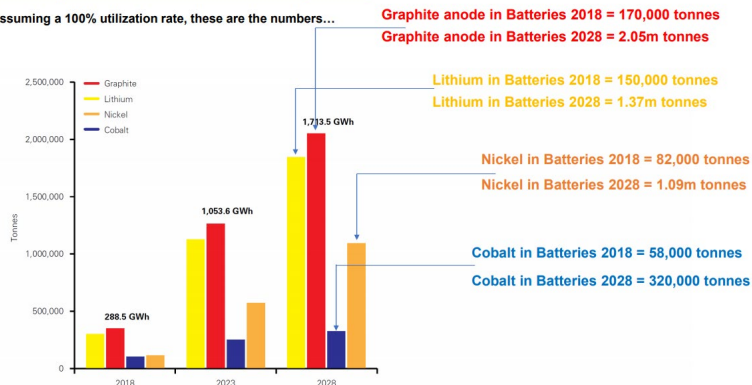
(2) – Benchmark Minerals - Dawn of the battery megafactories and the impact on industrial minerals, Simon Moores, 20 April 2019

THE GRAPHITE CARBON FUTURE

The ex China ex Africa solution

The impact on raw materials is profound

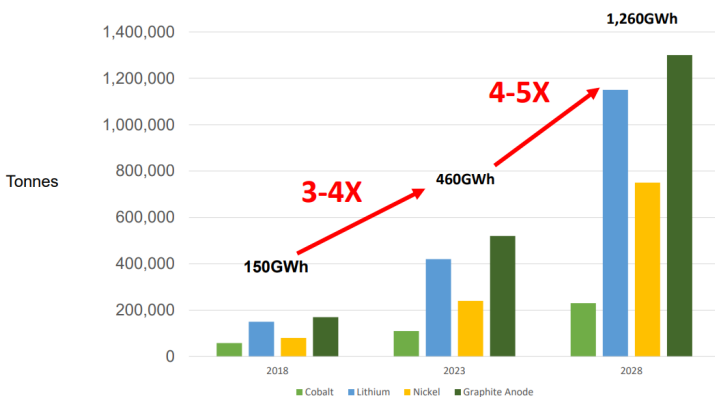
Assuming a 100% utilization rate, these are the numbers...



The data in this chart does not constitute a forecast, and assumes 100% utilization rates. Benchmark's forecast numbers are available via a separate subscription, please contact info@benchmarkminerals.com for further information

Source: Benchmark Mineral Intelligence

The real forecast...



Source: Benchmark Mineral Intelligence

Source :

- (1) – Benchmark Minerals - Lithium in 2019 & The Exchange Traded Opportunity, Andrew Miller, May 2019
- (2) – Benchmark Minerals - Dawn of the battery megafactories and the impact on industrial minerals, Simon Moores, 20 April 2019
- (3) – Morgan Stanley – Autos and Shared Mobility, May 2019

USA

2028: 162.7 Gwh

percentage 2018 supply:

130,000 tonnes Lithium	46%
195,000 tonnes Graphite Anode	108%
31,000 tonnes Cobalt	23%
104,000 tonnes Nickel Chemical	89%

Europe

2028: 274 Gwh

percentage 2018 supply:

219,000 tonnes Lithium	78%
329,000 tonnes Graphite Anode	183%
52,000 tonnes Cobalt	39%
175,000 tonnes Nickel Chemical	151%

Asia (ex China)

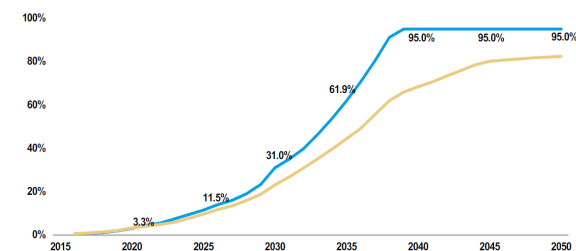
2028: 112.5 Gwh

percentage 2018 supply:

90,000 tonnes Lithium	32%
135,000 tonnes Graphite Anode	75%
21,000 tonnes Cobalt	16%
72,000 tonnes Nickel Chemical	62%

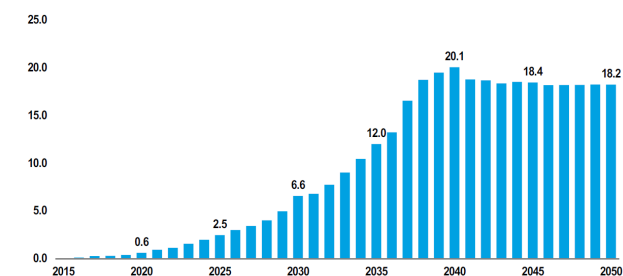
Morgan Stanley

Europe BEV Unit Sales Penetration vs. Global Penetration (%)

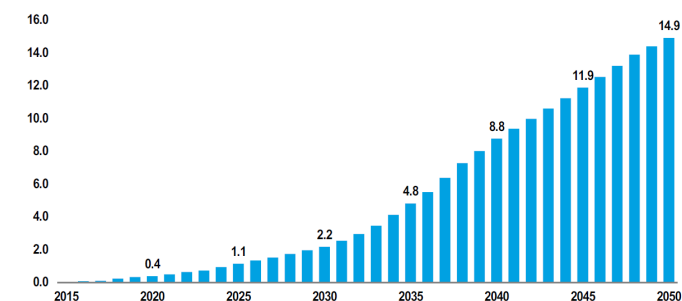


Morgan Stanley

Europe BEV Unit Sales Forecast (mm)

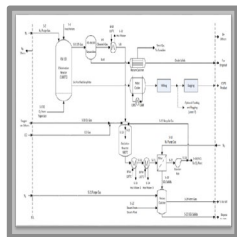


US BEV Unit Sales Forecast (mm)



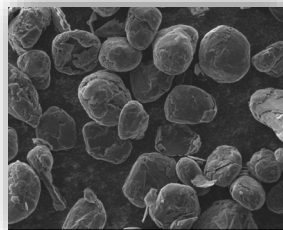
THE UPSIDE OF DOWNSTREAM

Progressing downstream graphite processing opportunities



PURIFICATION

Characterisation work for non-HF chemical purification commenced with CSIRO. Testing on thermo-halogen purification commenced with North American lab



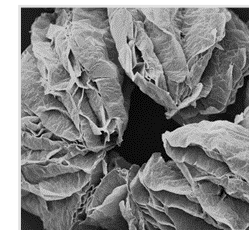
MICRONISATION

High purity (~99%C) micronised graphite has significant potential in specialised markets. Assessing options for JV/equity with existing producer to expand production and leverage off their production and marketing knowledge base to fast-track development



BATTERY ANODE MATERIAL

Conduct initial testing for baseline data after purification and micronisation test work. Pathway of testing and customer qualification to be defined



EXPANDABLE

Initial test work shows excellent expansion characteristics for coarse flake and good expansion characteristics for fine flake. Scale up test work to be conducted after pilot plant production of concentrate

EXPLORATION WESTERN AUSTRALIA

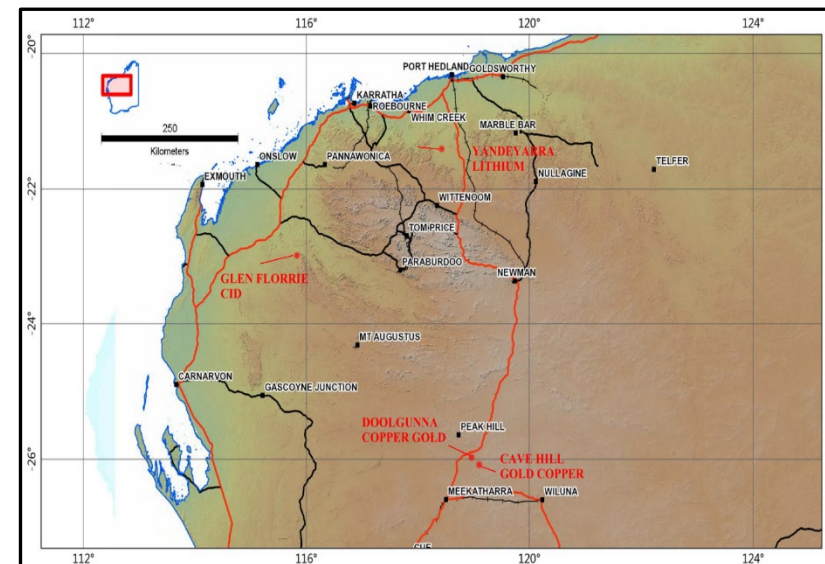
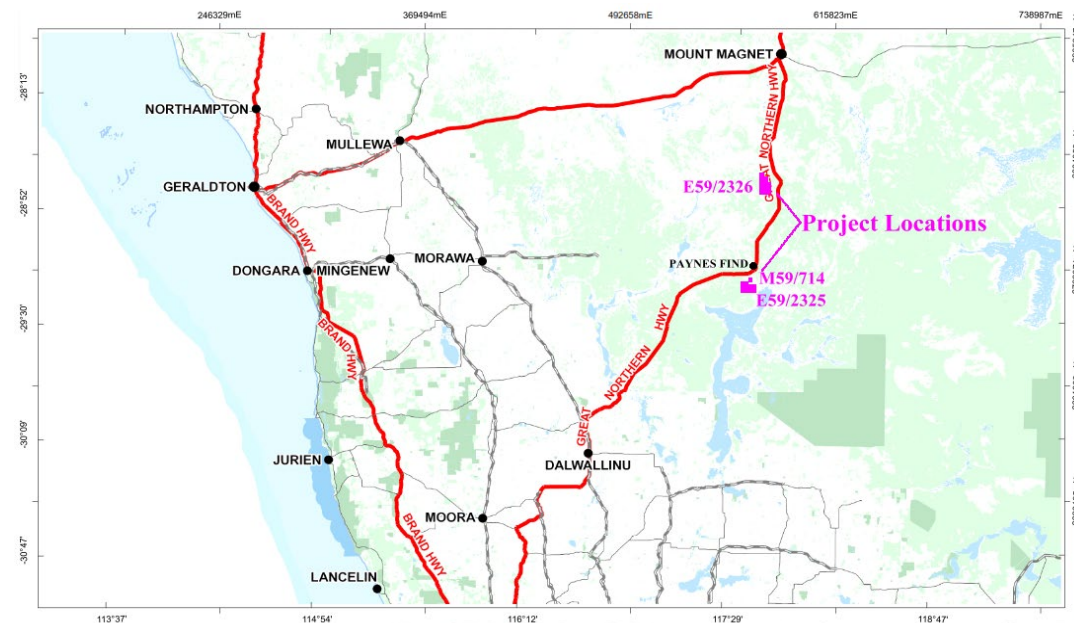
Eight new exploration licences acquired or applied for and two further farm-in agreements executed on exploration tenements in Western Australia

Targeting lithium (Yandeyarra and Geraldton Prospects), channel iron (Glen Florrie Prospect), gold-copper (Doolgunna and Cave Hill Prospects) and vanadium (Triple Eight Prospect)

- **Mt Edon** - Historical grades of **2.2% Li₂O₅**⁽¹⁾ from within the Mt Edon tenement package that hosts numerous Lithium-Cesium-Tantalum (LCT) pegmatites with Lithium rich zones
- **Doolgunna**
 - Bulk sampling and 1,500m RC drilling program completed within Doolgunna Formation which hosts the Revere Reef system
 - Grades of **326 g/t Au**⁽²⁾ calculated in bulk sample testing over 900m of exposed quartz reef
 - 41-hole RC drilling program for 1,500m completed. Lower than expected assay results most likely reflect a high nugget gold distribution

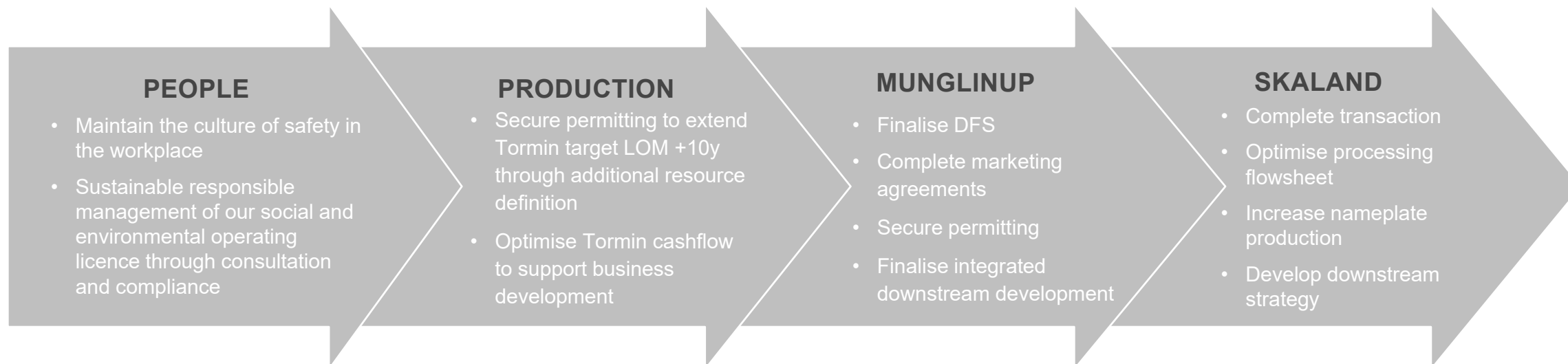
(1) ASX RELEASE - WA LITHIUM AND TANTALUM ACQUISITION, 10 January 2019

(2) ASX RELEASE - RESULTS FROM DOOLGUNNA PROJECT, WA, 5 September 2018



FOCUS FOR FUTURE SUCCESS

Significant positive catalysts ahead



Continuation of shareholder growth and returns through stringent capital management and project delivery