



Highlights

- **Acquisition of Norwegian graphite producer, Skaland Graphite AS, for US\$9.2m. Skaland is the world's highest grade flake graphite operation.**
- **High grade assay results from infill and step out drilling at Munglinup confirm continuity of mineralisation along strike of Halberts South and Whites / McCarthy West zones in both quantum and grade, with positive impact on Definitive Feasibility Study ("DFS").**
- **Initial completion of vertically integrated downstream graphite project strategy.**
- **Strong operating cash flow performance during the quarter, with cash on hand increasing from US\$11.1m to US\$15.8m.**

Corporate and Cash

Cash: Cash as at 30 June 2019 of US\$15.8m, plus US\$8.6m in trade and other receivables.

Debt: Borrowings as at 30 June 2019 of US\$4.9m.

Securities: 421.2 million shares and 4.95 million performance rights as at 30 June 2019.

Mineral Commodities Ltd ("MRC" or "the Company") is pleased to provide an update for the Company's activities during the quarter ending June 2019.

During the quarter, the Company entered into a locked box Share Purchase Agreement for the acquisition of Skaland Graphite AS. Skaland is the highest grade flake graphite mine in the world, the largest graphite producer in Europe and the fourth largest producer globally.

Mining and processing operations at the Tormin Mineral Sands mine were optimised to manage the current beach grade and replenishment cycle. A new mining and processing operations schedule incorporating an effective average 5.5 days per week working roster has been implemented. Mining and processing production has been scheduled to an annualised rate of 2 MPTA, whilst the Company awaits the outcome of the Section 102 ("S102") Mining Right Extension application. Seasonal storm surges are expected in the coming quarters, which will assist with the natural grade replenishment process.

Considerable ongoing engineering and design work for the Northern Beaches Primary Beach Operation is being finalised in anticipation of final permitting approvals and commencement in the September quarter. The Company has adopted a phased approach to the expanded Mining Right project development. This includes an initial increase in concentrate production from the Northern Beach and Inland Strand mining areas and then the construction of a 450,000 – 500,000 tonnes Magnetic Separation Plant to produce final ilmenite, garnet and zircon products. Commencement is expected in 2020 to allow the completion and commissioning towards the end of 2021.

The Company continued to advance study work on the Munglinup Graphite Project Definitive Feasibility Study ("DFS"), with completion expected in the September 2019 quarter. As part of the DFS, the Company has released further high grade assay results from infill and step out drilling, positively impacting the study outcomes.

TORMIN OPERATIONS

The Company was advised of the granting of the Environmental Authorisation for the S102 Expanded Mining Right during the quarter. Notwithstanding the EA Approval, the Company moved to a budgeted reduction in throughput across mining and processing operations towards the end of June. In conjunction with the budgeted reduction in mining and processing production, which were aligned to a 2 MTPA mining rate, the Company implemented voluntary severance packages to address excess labour capacity and implemented the new 5.5 day per week shift roster. 31 employees took the voluntary redundancy package.

GSP/SCP Production & Processing	Quarter ended 30-Jun-19	Quarter ended 31-Mar-19	Quarter ended 30-Jun-18	Year to Date 30-Jun-19	Year to Date 30-Jun-18
Tonnes processed (gross dmt)	143,041	180,629	234,145	323,670	483,667
Tonnes produced (dmt)					
- Garnet concentrate (net)	39,105	56,122	69,357	95,226	130,009
- Ilmenite concentrate (net)	12,555	16,701	26,062	29,256	67,563
- Zircon/Rutile concentrate	2,317	3,151	4,685	5,468	9,814
- zircon in concentrate	67.09%	67.97%	67.86%	67.59%	68.35%
- rutile in concentrate	15.53%	15.97%	17.50%	15.78%	17.83%

ROM feed to the Primary Beach Concentrators ("PBCs") for the June 2019 quarter was 550,932 tonnes at an average feed rate of 288tphr at 86.25% plant utilisation, with the throughput below the prior quarter's previous record of 719,381 feed tonnes.

Heavy Mineral Concentrate ("HMC") production from the PBCs produced 137,368 tonnes, compared to the prior quarter's 168,176 tonnes. Mineral processing recoveries from the PBCs remained strong, with the plants recovering 92% zircon, 86% ilmenite, 87% garnet and 73% rutile.

Garnet Stripping Plant / Secondary Concentration Plant ("GSP / SCP") feed of 143,041 tonnes was below the prior quarter's 180,629 tonnes and reflects rescheduled PBCs' production throughput incorporating full utilisation of available HMC feedstocks. The GSP/ SCP was operated at 70% utilisation to optimise product recoveries, with recovery improvements for zircon, rutile and ilmenite in comparison to the previous quarter.

Finished concentrate production was impacted by expected lower mined ore grades and rescheduled reduced GSP/ SCP feed of 76 TPH. Total final concentrates produced were 53,977 tonnes for the June 2019 quarter which was below the prior quarter's 75,974 tonnes and in line with budget circa 70%. Notwithstanding the reduced final concentrate production for the month of June, concentrate production was circa 10% below budget at 130,580 tonnes for the quarter.

Sales (wmt)	30-Jun-19 Quarter	31-Mar-19 Quarter	30-Jun-18 Quarter	Year to Date 30-Jun-19	Year to Date 30-Jun-18
- Garnet concentrate	53,288	53,288	30,580	106,576	81,330
- Ilmenite concentrate	54,775	53,610	55,000	108,385	55,000
- Zircon/Rutile concentrate	3,304	2,772	4,648	6,076	10,660

Sales revenue for the quarter was US\$15.5 million for a total 111,367 wet metric tonnes sold, above the prior quarter's revenue of US\$14.9 million for 109,670 wet metric tonnes sold.

The increase in quarterly revenue was due to the sale of an additional 1,165 wet metric tonnes of ilmenite concentrate, higher ilmenite prices and an additional 532 wet metric tonnes of non-magnetic concentrate sold in the quarter. The increase in non-magnetic concentrate sales during the current quarter reflects sale of first quarter production deferred into the current quarter.

Mining	30-Jun-19 Quarter	31-Mar-19 Quarter	30-Jun-18 Quarter	Year to Date 30-Jun-19	Year to Date 30-Jun-18
Tonnes (dmt)	601,827	742,587	549,588	1,344,414	1,206,302
Grade	9.43%	13.29%	15.41%	11.58%	17.09%
- Garnet	6.24%	8.23%	11.17%	7.35%	12.68%
- Ilmenite	1.43%	2.02%	2.97%	1.76%	3.07%
- Zircon	0.37%	0.41%	0.49%	0.39%	0.57%
- Rutile	0.23%	0.25%	0.39%	0.24%	0.39%
- Leucoxene	1.16%	2.38%	0.39%	1.84%	0.38%

ROM volumes in the current quarter have been adjusted and scheduled to be in line with PBCs' feed requirements. There will be a sustained mining campaign into the early part of the next quarter to ensure adequate ROM stockpile capacity during the seasonal winter season, which historically limits access to some of the mining areas.

The onset of winter storm surges and sourcing of additional ore from blocks with additional replenishment time is expected to lift grades towards the inferred resource grade of 14.1% Total Heavy Mineral in the September quarter.

Summary of Unit Costs & Revenues	Jun-19 Quarter	Mar-19 Quarter	Jun-18 Quarter	Jun-19 Year to Date	Jun-18 Year to Date
Unit production cash costs per tonne of net final concentrate produced (US\$/dmt)	100.69	71.81	52.61	83.75	59.09
Unit cost of goods sold per tonne of final concentrate sold (US\$/wmt) ⁽¹⁾	93.13	87.00	133.92	90.05	136.61
Unit revenue per tonne of final concentrate sold (US\$/wmt)	135.05	132.39	163.19	133.72	176.93
Revenue to Cost of Goods Sold Ratio	1.45	1.52	1.22	1.49	1.30

Note (1) – Cost of goods sold includes production cash costs, product handling, transport and selling costs, royalties, stock movements and depreciation and amortisation. Excludes corporate and financing costs.

Unit production cash costs were impacted by the change in mined tonnes and grades, with the quarter's US\$100.69/t for 53,977 final concentrate tonnes produced higher than the prior period's US\$71.81/t for 75,974 final concentrate tonnes produced. Production cash costs in the June quarter aligned with the previous quarter, highlighting that higher unit costs were the direct result of lower production in the current quarter.

Total unit cost of goods sold of US\$93.13/t for the quarter was reasonably aligned with the prior quarter's US\$87.00/t, with the high unit production cash costs incurred in the quarter partially offset by increased relative volumes of bulk shipment products, which have an overall lower unit cost of delivery.

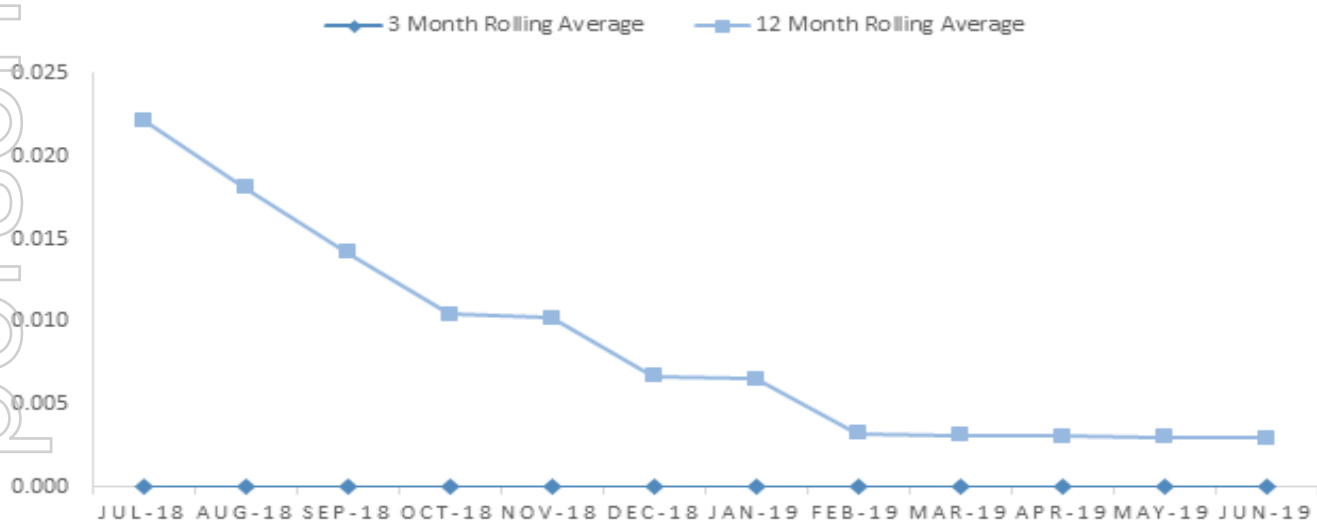
Unit revenue per tonne of final concentrate sold for the quarter compares with the prior quarter, which also explains the alignment in the Revenue to Cost of Goods Sold Ratio across those quarters.

SAFETY, ENVIRONMENT AND COMMUNITY

The ongoing commitment to developing a safe working environment and culture continues.

Encouragingly, this quarter saw a further reduction in the overall 12 month rolling Total Recordable Injury Frequency Rate. Significantly, since commencement of operations in late 2013, the Company has incurred only one Lost Time Injury, in April 2017. The Company achieved a further milestone during the quarter by working in excess of 1,110,782 man hours since this LTI incident. In excess of 2.9 million man hours have been worked at the Tormin site since its commencement.

TORMIN TRIFR 12 MONTH ROLLING AVERAGE



The Company continues to implement its Social Labor Plan ("SLP") commitments. Ongoing work with Local Economic Development Projects ("LED") continued through the completion of the Nuwerus High School Hostels.

Additional progress was made through the funding of Small, Medium, Micro Enterprise ("SMME") Development programs that included investment to assist the relocation of an embroidery project to new premises, as well as collaboration with the local Municipality to assist in the Doornbaai slipway project by contributing R650,000.

The Company has been working through the third generation SLP program which incorporates the 2019 to 2024 mining period, covering the first stage of the S102 Mining Right Expansion and renewal period. This involves consultation with all IAP's and Government Regulatory Authorities. The Company has effective sign off for the program.

MSR sponsored a self-defence and safety awareness seminar in partnership with African mixed martial arts champion Dalcha Lungiambula. The event was held at the Vredendal Primary School on 4 May 2019, with over 160 people attending from the local and surrounding communities.



Dalcha Lungiambula and attendees from the local and surrounding communities

PERMITTING

Positive progress has been made during the quarter with the Company's permitting.

The Environmental Authorisation ("EA") for the S102 Mining Right Expansion application was granted in June. The Tormin Operation's S102 Application Environmental Impact Assessment and Environmental Management Programme reports containing all public comments were submitted to the Department of Mineral Resources ("DMR") in November 2018.

The S102 Application and associated mining programs include a minimum 10 year mine life on expanded areas covered under the application, including the adjoining Northern Beaches and the inland strand deposits located on the Company owned freehold farmland. On final granting of the expansion right, the Company intends to adopt a phased development program with an initial increase in primary beach concentration capacity followed by construction of a Mineral Separation Plant that will produce final ilmenite, garnet, rutile and zircon products from the Company's concentrates.

In accordance with regulatory requirements for the granting of the S102 EA, all interested and affected parties were notified in late June 2019. As is often the case with applications of this nature, the Environmental Authorisation of the S102 Application has subsequently been appealed. The Company will now address the appeals and submit the requisite responses to the Appealing Authority, being the Department of Environmental Affairs ("DEA"). The Company foresees no major impediment in any of the Appeal grounds presented and is hopeful that the Appeals will be dealt with within the next quarter.

An EA was also issued for the Section 24G Application which covers a small stockpiling area relating to the 2014 S102 Application to expand the processing plant footprint. The S24G EA has been appealed by IAPs and the Appeal is scheduled to be heard in the next quarter.

The Tormin Operation's mining right renewal applications were submitted to the DMR in August 2018. A decision anticipated by March 2019 remains outstanding, however the Company is permitted to continue to operate whilst the renewal application process takes its due course. The Company expects a decision regarding the renewal to be forthcoming in the September quarter.

During the quarter, the Company received advice on the Appeal lodged with the DEA in June 2018 regarding its De Punt prospecting right ((WC)30/5/1/1/2/10240PR) and inland area covering 13km in length by up to 4km in width immediately south of the current Geelwal Farm owned by MSR, on which it conducts its processing operations. Four of the six grounds of appeal were dismissed and the remaining two grounds were referred back to the DMR for action regarding an instruction to MSR to conduct an estuarine biodiversity study and, subject to this study, conduct a new public participation process. The Company will move to undertake the respective estuarine studies to satisfy the two grounds of appeals.

In addition, the Company is still awaiting decisions on the Appeals to the granted Environmental Authorisations for prospecting rights covering the Tormin inland strand area on its Geelwal Karoo owned farm and the Northern Beaches, being (WC)30/5/1/1/2/10262PR and (WC)30/5/1/1/2/10261PR. The Northern Beaches, which are currently being mined for diamonds, and the Geelwal Karoo prospecting rights incorporate a continuous exploration target area of circa 35km of coastal beach and inland strand areas.

Whilst the Company has a number of prospecting right applications in various stages of assessment and appeal, these prospecting rights applications are not core to, and will not affect, the current Tormin Operation mining right renewal applications and the planned expansion covered under the S102 Application.

MRC considers the recent success in the granting of various EAs as a significant turning point in the due process of permitting applications and approvals, which have been historically slow in being administered. The marked improvement can be directly linked to the championing of the reinvigoration of mining by the current Ramaphosa Government and Mining Minister Mantashe.

BUSINESS DEVELOPMENT

Munglinup Graphite Project

As previously reported the Company appointed Mondium, a joint venture between Monadelphous and Lycopodium, to undertake early engagement works and Value Engineering ("VE") within the DFS phase, and subsequently to undertake Front-End Engineering Design ("FEED") to fast-track the full design and construct phase of the Munglinup Graphite Project.

Significant progress has been made in the VE process for Munglinup. Particular efforts have been concentrated on optimising the front-end feed and processing circuit. These included rationalising the scrubbing, milling and flotation with a view to reducing the power requirements and a reduction in pumping requirements. Attrition milling within the flotation circuit has been optimised to operate at higher percent solids at the front-end (based on additional benchtop testwork) that has allowed for a significant reduction in flotation cell volumes (and therefore capital costs).

The flowsheet design is benefiting from the inputs of a process engineer with significant experience in African graphite operations and projects – which is assisting in de-risking the flowsheet. The overall view is that Munglinup represents a robust flowsheet and will be more so once the VE is completed. The circuit modifications are being supported by concurrent testwork – to produce a robust, fully supported study that will pass external review and audit.

Based on the importance of the VE, the Company has taken the decision to delay the DFS, which was previously reported to be completed in May. The DFS is now anticipated to be completed in the September quarter, with the final inputs of the VE and operating and capital costs going through final review.

As previously reported on 17 April 2019, the Company announced excellent drilling results from its recent expansion drilling program at its Munglinup Graphite Project. The results confirm continuity of mineralisation along strike of Halberts South and Whites/McCarthy West in both quantum and grade.

Whites is a newly discovered ore zone that, to date, continues to deliver high grade mineralisation results. The additional geological and assay information will be included in a geological resource model update that is currently underway. The results will also be used to optimise the proposed mining plan as part of the Company's DFS and will result in a new pit design which the Company anticipates will improve project economics and life of mine.

The Munglinup Graphite Project was referred to the Department of Environment and Energy (Federal) ("DoEE") and the Environmental Protection Authority (State) ("EPA") in November 2018 for assessment.

On 14 May 2019, the EPA decided to assess the Munglinup Development proposal based on Referred Information with some additional information to be provided. Subsequent to this, on 11 July 2019 the DoEE confirmed that the Federal assessment will be done under an accredited process by the EPA. The EPA at this time also provided guidance on the additional work sought to facilitate assessment. The initial additional work requested is summarised as targeting Matters of National Environmental Significance ("MNES") identified in the greater project area, Environmental Offsets and impacts on inland waters. MRC is currently working with the Department of Water and Environmental Regulation to clarify and finalise this additional work requirement.

An integrated development approach is being considered for Munglinup to provide a robust project solution that is de-risked from lower value concentrate sales. The Munglinup concentrate has a size distribution that has 43%-48% of the concentrate in the coarse fraction, with the remainder in the fines fractions. The coarse materials are suitable for the expandables market as well as traditional markets, whilst the fines are potential Battery Anode Materials. Both fractions are readily purified to provide the feedstock for additional value adding.

Skaland Graphite AS Acquisition

As previously reported on 4 April 2019, the Company announced it had entered into a Share Purchase Agreement with Leonhard Nilsen & Sønner-Eiendom AS to purchase Skaland Graphite AS ("Skaland"), for the total consideration of US\$9.2 million, comprising an initial cash consideration at settlement of US\$4.8 million, and a further US\$4.4 million to be paid over five years.

Skaland operates the Trælen Graphite Mine and Skaland Processing Facility in Norway, which is the largest flake graphite producer in Europe and the highest grade flake graphite mine in the world, with mill feed grade averaging around 28% carbon. Skaland currently averages around 10,000 tonnes of graphite concentrate production per annum and accounts for around 2% of global natural flake graphite production. The Skaland Graphite Operation is considered to have significant potential to expand the current production profile.

The Company has been advised of the granting of the Skaland operational permit during the quarter for a period of 10 years. The remaining discharge permit (which is also a condition precedent to the transaction proceeding), which increases production from 11,000 to 16,000 tonnes, is under review with some issues and requirements for clarification from the Norwegian Regulatory Authority.

The Company is confident that the issuing of all operating and discharge permits will be completed by the September quarter. In the interim planning for the optimisation program for Skaland continues.

Downstream Graphite Projects

An initial strategy document has been developed for MRC's graphite assets. It considers an incremental approach to integrating downstream processing for Skaland, starting with upgrading the fine concentrate, increasing the proportion of coarse flakes in the concentrate and followed by micronisation on site utilizing low-cost hydro-electric power. These are processes that can readily be included in site operations and will value-add significantly to existing operations. Planning is underway for pilot-scale testwork in the next quarter for upgrading the fine concentrate and improving the proportion of coarse flakes in the concentrate. This testwork program will also provide the concentrate for purification of Skaland concentrate, which provides the corner-stone for higher value-added products such as Battery Anode Materials and Expandable Graphite.

An integrated development approach is recommended for Munmlinup to provide a robust project solution that is de-risked from lower value concentrate sales. The Munmlinup concentrate has a size distribution that has 43%-48% of the concentrate in the coarse fraction, with the remainder in the fines fractions. The coarse materials are suitable for the growing expandables market as well as traditional refractory markets, whilst the fines are potential Battery Anode Material and high purity micronized fines.

The Company has commenced scoping studies on downstream processing of its graphite concentrates, with results expected in the next quarter.

The Company has also submitted an application for the CRC-P Round 7 funding for Critical Minerals for a new process to produce high-purity graphite, together with its partners CSIRO and Doral Fused Materials. A successful application will allow for fast-tracking the development of a more environmentally friendly purification process.

Australian Exploration

Lithium/Tantalum: Paynes Find

Site visits and field chip sampling of 6 selective pegmatites were undertaken on the Paynes Find, Mt Edon tenement during the quarter to determine the fractionated nature of the pegmatites for LCT minerals (Lithium-Cesium-Tantalum). Initial results indicate one of the pegmatites sampled to be prospective with two samples returning grades of 745ppm and 1395ppm Lithium as well as Tantalum grades of 150ppm and 171ppm.

This 1.2km long pegmatite and its associated pegmatite swarm will now be targeted for follow-up sampling and mapping.

The Yandeyarra Lithium prospecting applications have now been surrendered due to the inability to gain Native Title agreement to allow access.

Copper/Gold: Doolgunna

Modeling and interpretation of the results from an 8859m drill campaign during 2018 system indicate a complex stockwork of gold lodes that are hosted within a broad, at least 320m wide, greenschist facies alteration system (the Revere Reef System) that is at least 5-6km long. Infill laboratory testing of drill samples during the quarter indicates that gold mineralised zones are continued between drill holes and are not limited to just quartz reef lodes but are also within hydrothermally altered host rock e.g. siltstone and sandstone. The potential to develop the near surface ore bodies as a large open pitable resource is being investigated. Gold mineralisation has been intersected from surface to at least 130m below surface where RC drilling was abandoned due to high water inflows that compromised sampling integrity and recovery. Resource modelling results are very positive and encouraging, indicating a large, well developed mesothermal alteration zone in which the fluids during one of the episodic alteration events carried substantial gold bearing fluids. Width of the mineralised shear system is at least 320m wide along the shear system and is still open at depth and width.

As the metalloid potential of this system at depth (below zone of complete oxidisation) is currently unknown, a number of 300m deep diamond holes are planned to be drilled during the third quarter of 2019 to investigate the deeper copper-gold mineralization potential of the system.

The free gold mineralisation in the Revere System is extremely coarse and nuggety which is great for mine processing recoveries but can create low grade laboratory results during exploration due to the small drill sample size. This has previously been noted and recorded in ASX release dated 5/09/2018. A follow-up and larger bulk sampling campaign is therefore planned in and along the near surface mineralised gold quartz lodes intersected during drilling. An application for two 45,000 tonne bulk sampling excess tonnage authorisations over tenements E51/1766 and P51/2787 were submitted to the Department of Mines, Industry Regulation and Safety on 18 June 2019. Depending on the granting of the excess tonnage application, bulk sampling and processing (gravity concentration) of the material will be done under a detailed Programme of Work ("POW") still to be submitted.

Vanadium: Harvey

With POW and Vegetation Clearance permits in place for exploration drilling, access negotiations with the Department of Biodiversity, Conservation and Attractions ("DBCA") are ongoing with a dieback survey and related management plan being commissioned.

Subject to approvals by the DBCA, exploration drilling is expected to start in the last quarter of 2019.

CORPORATE**Cash and Debt**

At 30 June 2019, the Company had US\$15.8 million in cash on hand, an increase from the 31 March 2019 cash balance of US\$11.1 million. The Tormin Operation continued to generate positive cash flows in the June 2019 quarter, achieved by inventory sales and strong operating performance.

Trade and other receivables at 30 June 2019 increased to US\$8.6 million, from US\$6.8 million for the prior quarter. Borrowings as at 31 March 2019 are US\$4.9 million, aligned with the previous quarter.

Outlook

Tormin's zircon/rutile concentrate continues to attract premium pricing with high levels of demand expected to continue, with the overall zircon market stabilising after a period of strong growth.

The Company believes ilmenite concentrate pricing will continue to be in line with previous contracted shipments, with the Company expected to ship at least one more cargo in the upcoming quarter. It is expected that overall revenue for the September 2019 quarter will be aligned to the June 2019 quarter results and in line with budget.

Finished concentrate production guidance for 2019 has been amended based on the planned rescheduled optimisation in mining and processing operating hours. This forward looking guidance for production excludes the significant upside expected from mining the S102 expansion area.

Final Concentrate Production	June 2019 FY2019 Production Guidance Range	March 2019 FY2019 Production Guidance Range
Zircon/Rutile Concentrate (dmt)	9,000 - 12,000	11,000 – 14,000
Ilmenite Concentrate (dmt)	50,000 – 70,000	50,000 – 70,000
Garnet Concentrate (dmt)	140,000 - 170,000	200,000 – 230,000

Due to existing ilmenite concentrate inventory and significantly improved customer demand for ilmenite concentrate, annualised sales/shipment guidance for 2019 has been amended.

Final Concentrate Sales	June 2019 FY2019 Sales Guidance Range	March 2019 FY2019 Sales Guidance Range
Zircon/Rutile Concentrate (dmt)	9,000 - 12,000	11,000 – 14,000
Ilmenite Concentrate (dmt)	140,000 - 170,000	50,000 – 70,000
Garnet Concentrate (dmt)	200,000 – 220,000	200,000 – 220,000

Guidance for zircon/ rutile concentrate product has been adjusted to reflect a reduction in production.

The Company remains positive in regards to the finalisation of permitting for the expanded Mining Right and Mining Right Renewals for Tormin thus allowing the Company to access the higher grade inland and Northern Beach mining areas, which will significantly increase production of final concentrates.

The Company is well poised to complete the Value Engineering process which will result in the completion of the Munglinup DFS in the upcoming quarter. The final conditions precedent should also be satisfied in relation to Skaland, thus allowing the completion of the acquisition to occur in the upcoming quarter.

Securities on Issue

Issued securities at the date of this report comprise:

- 421,191,571 fully paid ordinary shares listed on the ASX.
- 200,000 Performance Rights exercisable on or before 31 May 2021, vesting at a rate of 150,000 per annum on 31 May 2019 to 2020 inclusive, and the closing share price reaching A\$0.20 and remaining at or above

\$A0.20 for a period of five consecutive trading days.

- 500,000 vested Performance Rights exercisable on or before 31 May 2020.
- 1,000,000 Performance Rights exercisable on or before 1 October 2021, vesting on the 30 day Volume Weighted Average Price of the Company's Shares trading on the ASX being A\$0.20 post issue, and 333,333 vested on 1 October 2018, 333,333 vesting on 1 October 2019 and 333,334 vesting on 1 October 2020.
- 1,000,000 Performance Rights exercisable on or before 31 May 2021, vesting on the closing share price reaching A\$0.20 and remaining at or above A\$0.20 for a period of 5 consecutive days, 500,000 vesting on 25 June 2019 and 500,000 vesting on 25 June 2020, vesting upon satisfaction of performance criteria based on Key Result Areas and Key Performance Indicators applicable.
- 1,000,000 Performance Rights exercisable on or before 30 September 2021, vesting on the closing share price reaching A\$0.20 and remaining at or above A\$0.20 for a period of 5 consecutive days, 500,000 vesting on 11 October 2019 and 500,000 vesting on 11 October 2020, vesting upon satisfaction of performance criteria based on Key Result Areas and Key Performance Indicators applicable.
- 1,000,000 Performance Rights exercisable on or before 14 May 2022, vesting on the closing share price reaching A\$0.26 and remaining at or above A\$0.26 for a period of 30 consecutive days, 500,000 vesting on 14 May 2020 and 500,000 vesting on 14 May 2021, vesting upon satisfaction of performance criteria based on Key Result Areas and Key Performance Indicators applicable.
- 100,000 Performance Rights exercisable on or before 28 February 2023, vesting on the 30 day Volume Weighted Average Price of the Company's Shares trading on the ASX being A\$0.26 post issue, and 33,333 vested on 28 February 2020, 33,333 vesting on 28 February 2021 and 33,334 vesting on 28 February 2022.
- 150,000 Performance Rights exercisable on or before 28 February 2023, vesting on the 30 day Volume Weighted Average Price of the Company's Shares trading on the ASX being A\$0.26 post issue, and 50,000 vested on 28 February 2020, 50,000 vesting on 28 February 2021 and 50,000 vesting on 28 February 2022.

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For further information, please contact:

INVESTORS & MEDIA

Peter Fox

Investor Relations and Corporate Development

T: +61 8 6253 1100

investor@mncom.com.au

CORPORATE

Peter Torre

Company Secretary

T: +61 8 6253 1100

peter@torrecorporate.com.au

COMPETENT PERSONS STATEMENT

The information, if any, in this statement 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 Ltd 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 the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information, if any, in this statement 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 the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information, if any, in this statement 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 report of the matters based on the reviewed information in the form and context in which it appears.

The information, if any, in this statement 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 report of the matters based on the reviewed information in the form and context in which it appears.

The information, if any, in this statement 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 an independent consultant to the Company. Mr Maynard is the Director and Principal Geologist of AI Maynard and 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 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 the inclusion in the report of the matters based on this information in the form and context in which it appears.