



ASX: MRC

30 March 2020

KEY ENVIRONMENTAL APPROVAL RECEIVED AT TORMIN FOR EXPANDED MINING RIGHTS AND DOWNSTREAM PROCESSING

- **Positive appeal decision on Integrated Environmental Authorisation concluded by Department of Forestry, Fisheries and Environment**
- **Appeal decision paves the way to finalisation of permitting to enable the expansion of existing Tormin Mining /Processing Operations**

Mineral Commodities Ltd ("MRC" or "the Company") and its Empowerment partners Blue Bantry Investments 255 (Pty) Ltd are pleased to announce that the Companies' South African subsidiary, Mineral Sands Resources (Pty) Ltd ("MSR") has received the appeal decision regarding the granting of an Integrated Environmental Authorisation ("IEA") in respect to its Application to amend (expand) the mining right at Tormin in terms of Section 102 of the Mineral and Petroleum Resources Development Act 49 of 2008 ("MPRDA").

The Company is pleased to report that all grounds under the appeals have been dismissed and in the case of one appellant, dealt with by slight variation to the IEA. The decision concludes the appeal process and affirms the original decision by the Department of Mineral Resources ("DMR") to grant the IEA to MRC.

The Company anticipates the DMR to finalise the granting of the Section 102 application.

The Section 102 Application and associated mining programs incorporate the Inland Strand deposits located on the Company owned freehold farmland and the adjoining Northern Beaches. Accessing the new mining areas will allow the current Tormin beach mining areas to undergo replenishment as mining in the current Tormin beach mining areas is curtailed.

In addition, the Section 102 Application incorporates approvals for the Company to access renewable grid power via the nearby Eskom wind farm. It also includes approvals to build a Magnetic Separation Plant ("MSP") which will enable processing capacity of up to 450,000¹ tons per year to produce finished ilmenite and Garnet and Rutile Zircon products.

In learning of the appeal decision, Executive Chairman, Mark Caruso said, " *The appeal decision paves the way for the staged Tormin Expansion through access to the inland and northern beach mining areas as well as the ability to increase the production output of concentrates and construction a circa 450,000¹ TPA MSP for the production of finished Ilmenite Garnet, Rutile Zircon Products*".

MRC has developed and successfully operated at Tormin since late 2013. The mine supports 203 full-time employees and contractors. It has become a globally significant producer of garnet, ilmenite and non-magnetic concentrates, predominately for export markets into Asia and the USA.

In August 2018 the Company applied to expand the mining areas at Tormin under an application to Amend Mining Rights in terms of Section 102 of the MPRDA. Simultaneously the Company applied for an IEA with the DMR in respect to the proposed development.

MRC appointed SRK Consulting (South Africa) as an independent environmental consultant to undertake the scoping and Environmental Impact Assessment process. Upon evaluation of the final reports, the DMR was satisfied the Company had adequately assessed and addressed the impacts associated with the proposed activities and granted the IEA in June 2019. After the decision by the DMR to grant IEA the Appeals Directorate within the Department of Forestry, Fisheries and Environment received several appeals against the decision.

In considering the appeals, the Minister of Forestry, Fisheries and Environment, being the competent authority, decided to dismiss the appeals of all of the appellants, except for one, where she exercised her authority to vary the original conditions prescribed in IEA to satisfy concerns arising from the appeal.

With the Appeals Directorate process finished, and the IEA approved the DMR can proceed with the final stages of processing the Section 102 Application.

In January 2020², the Company was granted registered prospecting rights over the proposed mining areas included in the Section 102 Application and has since commenced exploration and drilling programs to delineate a JORC compliant resource.

The Company is confident that, when issued, the subsequent development of mining areas under the Section 102 Application, will sustain future mining operations, increase resources and provide an opportunity to expand production at Tormin. The Company also notes the additional upside in adjacent exploration areas (which are subject to separate exploration prospecting permits).

- 1- Specific annual production guidance will be provided upon completion of the Tormin Expansion Pre-Feasibility study. This represents the expected capacity only.
- 2- 30/01/2020, ASX Announcement - MRC Receives Registered Prospecting Rights at Tormin

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Mineral Commodities Ltd**

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

About Mineral Commodities Ltd:

Mineral Commodities Ltd (ASX: MRC) is a global mining and development company with a primary focus on the development of high-grade mineral deposits within the industrial and battery minerals sectors.

The Company is a leading producer of zircon, rutile, garnet and ilmenite concentrates through its Tormin Mineral Sands Operation, located on the Western Cape of South Africa. In October 2019, the Company completed the acquisition of Skaland Graphite AS, the owner of the world's highest-grade operating flake graphite mine and one of the only producers in Europe. The planned development of the Munglinup Graphite Project, located in Western Australia, builds on the Skaland acquisition and is a further step toward an integrated, downstream value-adding strategy which aims to capitalise on the fast-growing demand for sustainably manufactured Lithium-Ion Batteries.

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