



40 Murray Road North
Welshpool WA 6106, Australia
PO Box 235, Welshpool DC WA 6986, Australia
Telephone: 61 8 6253 1100

Mineral Commodities Ltd

Email: info@mncom.com.au

Web: www.mncom.com.au

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MRC SECURES \$4.5M FACILITY TO COMPLETE GARNET STRIPPING PLANT

Mineral Commodities Ltd ("MRC") is pleased to advise that its South African Subsidiary, Mineral Sands Resources Pty Ltd ("MSR") has secured US\$4.5 million via a loan facility from the GMA Group ("GMA") to fund the completion of its Garnet Stripping Plant ("GSP").

The GSP will be installed at the front of the existing Secondary Concentrate Plant ("SCP"). The installation of the GSP will increase the non-magnetic Zircon/Rutile feed grade to the SCP by removing the Garnet fraction from the Heavy Mineral Concentrate ("HMC") prior to the SCP. This, in turn, will allow a higher grade non-magnetic concentrate to be fed to the existing magnetic circuit, and thereby increase overall final Zircon/Rutile concentrate production.

Operating the to-be-installed GSP in-conjunction with the recently installed Tailings Scavenger Plants ("TSP") is expected to:

- Increase the overall GSP/SCP HMC feed rate from the current SCP design feed rate of 61.6tph (current operating throughput is circa 77.2tphr) of HMC feed to a combined GSP/SCP HMC feed rate of 100.0tphr of HMC feed;
- Increase overall Zircon Recoveries from circa 68.0 % in the current SCP to 85.0% in the GSP/SCP;
- Increase combined Zircon recovery from the Primary Beach Concentrators ("PBCs") and TSPs, expected to be 92.0%;
- Produce a higher quality Zircon/Rutile Concentrate product, increasing from 72% contained zircon and 11% contained rutile in the current SCP to 80.0% contained zircon and 13% contained rutile in the GSP/SCP;
- Increase overall GSP / SCP processing Garnet and Ilmenite Recoveries;
- Produce a higher quality Garnet Concentrate product from the current circa 60.0% to +80.0% contained Garnet;
- Increase the production on Zircon/Rutile Concentrates by approximately 25.0%; and
- Increase Ilmenite Concentrate production by circa 180.0%

Completion of the GSP is expected on or around 30 June 2016, with commissioning and tie-in to the existing plant completed in early July 2016.

The loan agreement entered into with GMA provides for US\$4.5 million funding with a 3 year repayment term commencing on the re-start of shipping of Garnet Concentrate product to GMA (planned for January 2017). Currently MSR stockpiles Garnet Concentrate, on behalf of GMA, at the Tormin mine site.

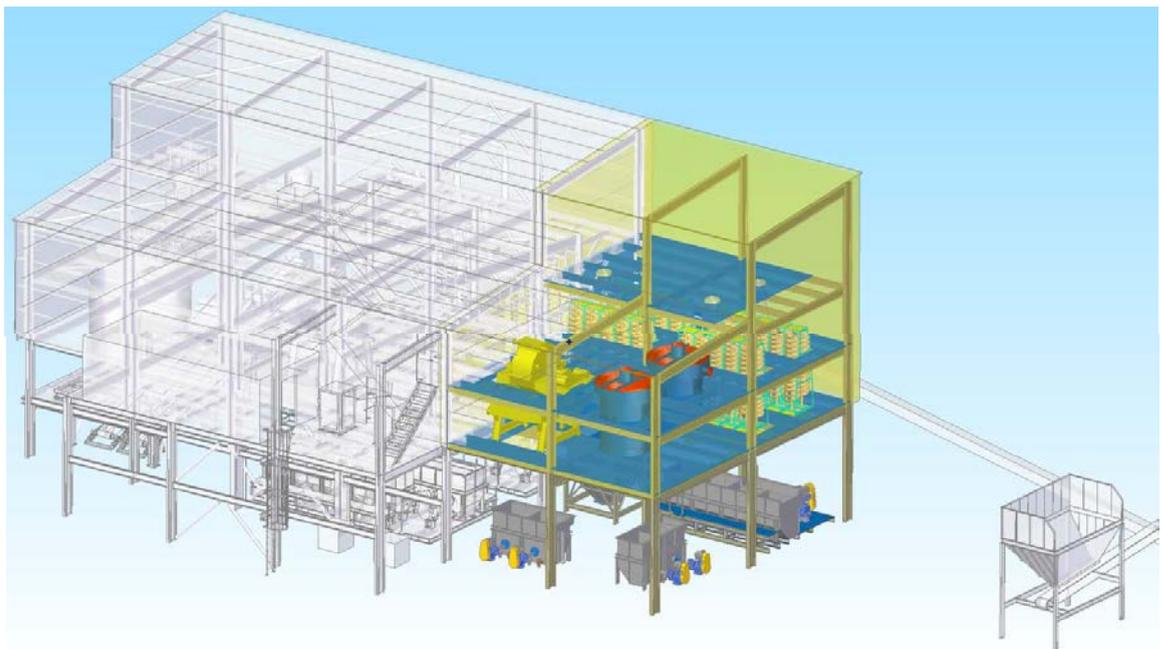
The offtake agreement previously entered into with GMA has also been amended to increase the term of the agreement to be a life of mine with an increase in the annual offtake tonnage to 210,000 tonnes, up from 150,000 tonnes, and an option to take all other remaining Garnet Concentrate production.

The Company produced approximately 285,000 tonnes of Garnet Concentrate for the year ended 31 December 2015.

The Company is pleased to be working on this expansion initiative with its offtake partner GMA, the world's largest producer and global distributor of garnet abrasive products.



Existing SCP Showing Proposed Location for GSP



Schematic of Proposed Location for GSP

FOR PERSONAL USE ONLY

Executive Chairman Mark Caruso said that: *“The finalisation of the amended GMA financing agreement is testament to the commitment by both companies to the long term relationship and endorses Tormin as a significant world class sustainable Garnet Concentrate producer, integral to GMA’s international expansion initiatives.”*

**For enquiries regarding this report please
contact: Mark Caruso – Executive Chairman
+61 8 6253 1100**