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Company Announcements Office

EXPLORATION TO COMMENCE ON OFFSHORE PROSPECTING AREA

Mineral Commodities Ltd ("MRC") is pleased to advise that its South African Subsidiary, Mineral Sands Resources Pty Ltd ("MSR") has entered into a service agreement with an independent contractor, Engulftek, to commence exploration over an initial 12 month period on its offshore prospecting area.

The services will include the exploration and sampling of the ultra-shallow water section of the Tormin offshore prospecting area using a diving sea sledge (Image 1). Core sampling under the sea in the surf zone up to 300m from the beach will occur.

The scope of work follows a bathymetric and sub-bottom sea floor profiling geophysical survey over the surf zone area. The survey, conducted by an independent firm WSP, provided detailed information that was used to plan an underwater exploration drill sampling campaign.

The prospecting area (held under (WC)30/5/1/1/2/10036PR & (WC)30/5/1/1/2/10199PR) is to be investigated for its offshore heavy mineral sand potential that is currently the source of replenishment taking place on the beach held under mining rights (WC 30/5/1/2/2/162 & 163 MR).

The diving sea sledge is to be mobilized and exploration to commence in June 2016 and follows MSR being awarded the offshore prospecting right in November 2015. The diving sledge and undersea drill tower is currently being constructed in South Africa.

As announced in November 2015, the awarded prospecting right (WC 30/5/1/2/2/10199 PR – Image 2) represents an area ~10,500ha in size seaward from its current mining (Tormin mine) and prospecting area's (WC 30/5/1/1/2/10036 PR).

In addition to the awarded rights, MSR has lodged a new prospecting and bulk sampling application (WC 30/5/1/2/10226 PR) along the beach and surf zone north of its current mining operations (Image 3). This application represents a target area of ~24km along the coastline. Historical exploration work by non-related parties have indicated the area to be prospective for heavy mineral sand deposits. This application is currently under review for approval by the Department of Mineral Resources – South Africa.

The above activities are indicative of the long term plans of MSR to extend the heavy mineral sand resource of its Tormin mining operation and underpin the economic viability of its current operations.

**For enquiries regarding this report please
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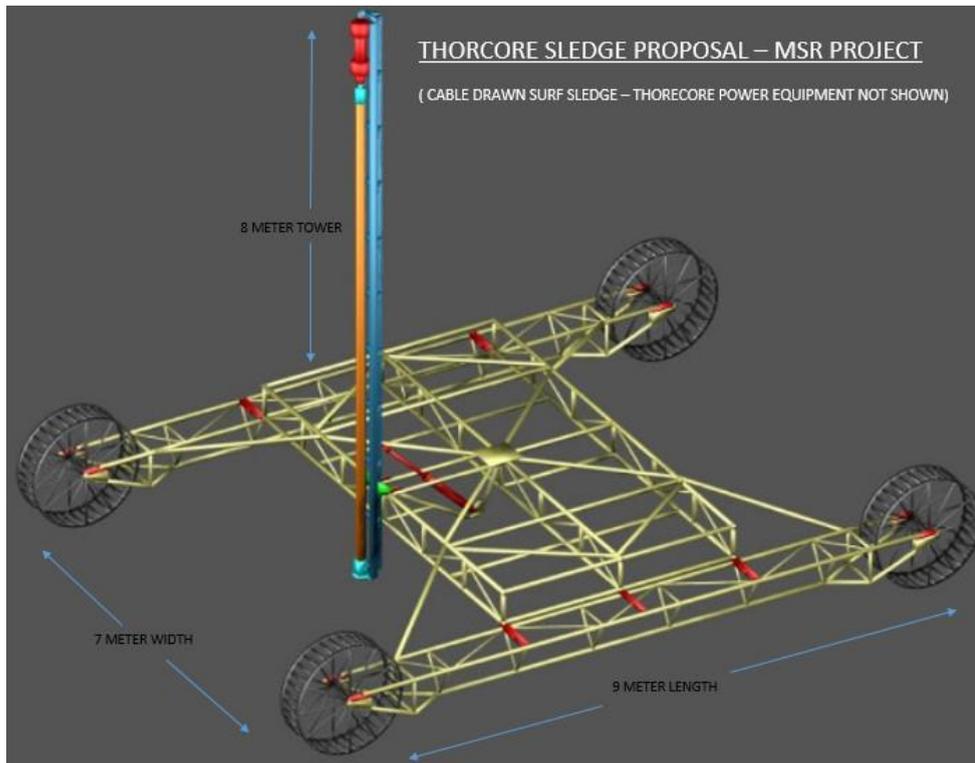


Image 1

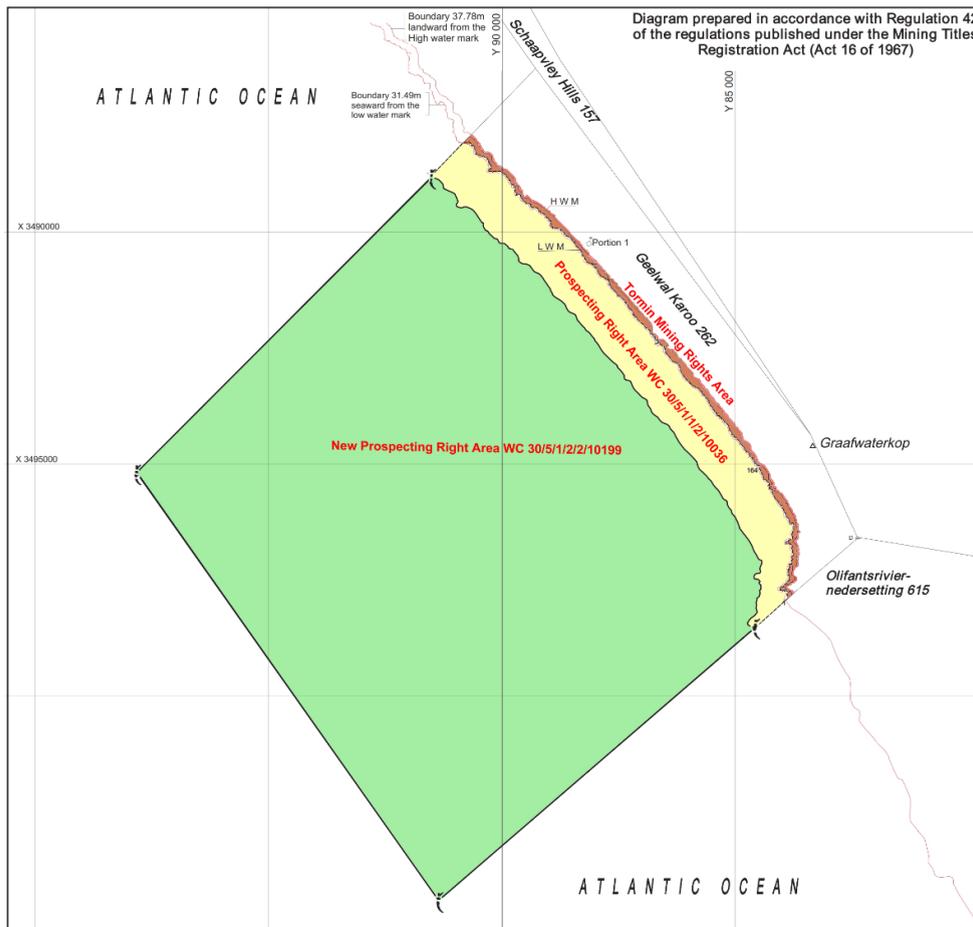


Image 2 – Newly awarded prospecting area in green

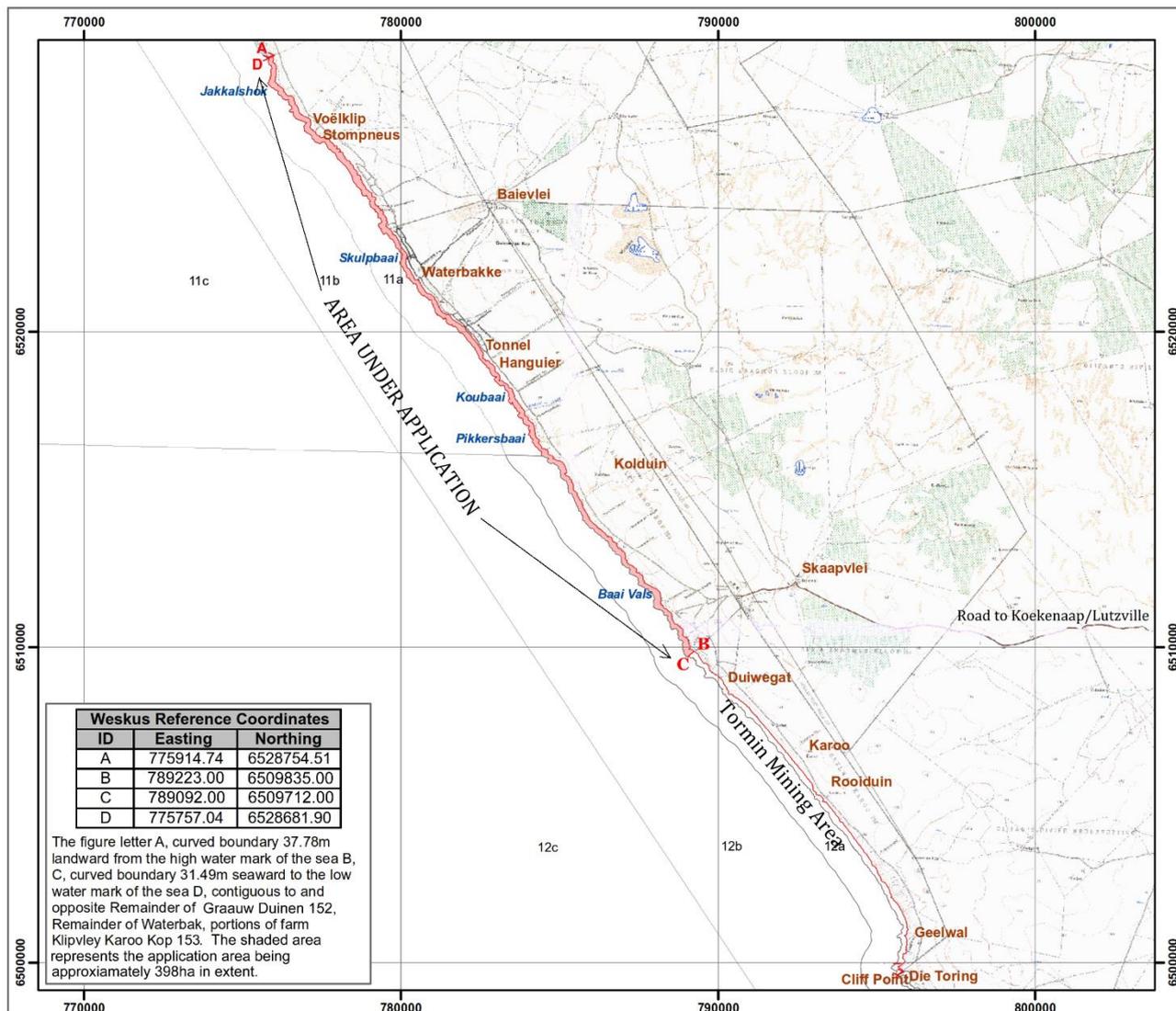


Image 3 : Area subject to a new prospecting application

Competent Person

The information in this announcement which relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Adriaan du Toit, who is a Member of the Australian Institute of Mining & Metallurgy ("AusIMM") and independent consultant to the Company. Mr du Toit is the Director and principal geologist of AEMCO Pty Ltd and has over 23 years of exploration and mining experience in a variety of mineral deposit 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 which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves" (JORC Code, 2012 Edition).