



MUNGLINUP METALLURGICAL TESTWORK CONFIRMS PREMIUM FLAKE GRAPHITE

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- **Excellent metallurgical results from recent testwork on the Munglinup Deposit confirms high-purity graphite flake concentrates**
 - **Outstanding concentrate purity averaging above 95% TGC and up to 97.4% TGC**
 - **Better than expected recoveries averaging 86% and up to 88.3% as compared to 81% from historical testwork and used in previous studies**
 - **Greatly simplified flow sheet compared with historical metallurgical testwork and studies**
 - **Attractive flake size and purity suitable for downstream processing and high value markets**
 - **Results support the mid case of the previously released Scoping Study, 27th November 2017**
 - **Results will be included in the upcoming Pre-Feasibility Study scheduled for release at the end of March 2018**
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Mineral Commodities Ltd (ASX: MRC) (“MRC” or “the Company”) is pleased to announce that recent results from metallurgical testwork on the Munglinup Graphite Project (“Munglinup” or “Project”) show vastly improved outcomes from previous historical work. A master composite, the most representative of the mineralisation to date, was produced from diamond drill core and submitted to ALS Metallurgy for a significant testwork program under the supervision of Battery Limits.

Executive Chairman Mark Caruso said, *“As this testwork demonstrates, the Munglinup Graphite Deposit is an exceptional deposit capable of producing a premium, high-grade graphite concentrate desired by the lithium-ion battery and other specialty markets. The results of this first phase of testwork are yet to be optimised and scope exists to further optimise the circuit and preserve coarser flake sizes. The testwork also showed that Munglinup has a Super Jumbo flake component which was previously unknown and adds to the value of the project.”*

The master composite sample was built using core from 22 different and spatially variable drill holes located within the Halberts Main Deposit. The Halberts Main Deposit is the largest of all known deposits within the Mining Lease comprising 85% of the reported Mineral Resource and is scheduled for development prior to the other smaller satellite deposits.



Figure 1 – Location of drill holes used to produce the metallurgical master composite and showing the proposed pit optimisation outline.

Metallurgical Results

The testwork program covered a conventional graphite grinding and flotation circuit as well as a gravity flowsheet on a master composite sample averaging 17.6% TGC. It was found that a multi-stage polishing regrind/cleaner flotation circuit was able to produce a high-grade concentrate at excellent recoveries. Typical results are summarized below:

Test	Average %TGC in Concentrate	Overall TGC Recovery (%)
BF1050	97.4%	86.8%
BF1059	94.2%	88.3%
BF1068	95.6%	84.6%
BF1069	96.1%	86.0%

The variability between tests reflect different grinding conditions. These results are a significant improvement on historical work on Munglinup ore which focused predominately on a rougher flotation concentrate (or a single stage cleaner flotation) followed by leaching.

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Figure 2 – Flotation on the Munglinup graphite ore during metallurgical testwork.

This report may contain forward-looking statements. Any forward-looking statements reflect management's current beliefs based on information currently available to management and are based on what management believes to be reasonable assumptions. It should be noted that a number of factors could cause actual results, or expectations to differ materially from the results expressed or implied in the forward-looking statements.

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Competent Persons Statements

The information in this announcement which relates to Exploration Results, Mineral Resources or Ore Reserves for the Munmlinup Graphite Deposit is based on information compiled by Mr Adriaan du Toit who is a member of the Australian Institute of Mining and Metallurgy (AusIMM) and who is an independent consultant to the Company. Mr du Toit is the Director and Principal Geologist of AEMCO Pty Ltd. He has over 26 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 2012 JORC Edition. The information from Mr du Toit was prepared under the JORC Code 2012 Edition. Mr du Toit consents to inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this document that relates to metallurgy is based on information compiled and reviewed by Mr David Pass, who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Pass is an employee of Battery Limits. Mr Pass has sufficient experience relevant to process plant and infrastructure design thereof to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012 Edition). 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.

Bibliography

Mineral Commodities Ltd (2017a), *MRC to acquire 51% interest in Munmlinup Graphite Project*. ASX announcement, 11 September 2017. MRC, Perth Australia.

Mineral Commodities Ltd (2017b), *Further Resource Information – Munmlinup Graphite Deposit*. ASX announcement, 13 September 2017. MRC, Perth Australia.

Mineral Commodities Ltd (2017c), *Munmlinup Graphite Project Scoping Study Results*. ASX announcement, 27 November 2017. MRC, Perth Australia.