



**MRC ESTABLISHES FIRST MOVER ADVANTAGE TO EXPLORE AND DEVELOP
COPPER, GOLD, COBALT, POTASH-LITHIUM DEPOSITS IN IRAN**

Mineral Commodities Ltd (ASX:MRC) through its wholly owned Iranian subsidiary Madan Rahjo Kanyab Company (Private Joint Stock) ("the Company") is pleased to announce that it has entered into agreements to acquire existing operations and to joint venture with in-country partners to explore and develop copper, gold, cobalt, nickel, zinc and potash-lithium projects in Iran.

HIGHLIGHTS

- **Established Office in Tehran**
- **Incorporation of Iranian Corporate Investment Structure**
- **Foreign Investment License Under Application**
- **Tuzlar Gold/Copper Operating Mine ("Tuzlar") - MOU to Acquire 73.5%**
- **Asbkhan Gold Project ("Asbkhan") - Joint-Venture Executed to Earn 75%**
- **Iran Minerals Production & Supply Company ("IMPASCO") - MOU Executed**
- **Geological Survey of Iran ("GSI") - MOU Executed**
- **Exploration Budget of US\$2.4m in 2018**

The Company has been actively establishing its presence in Iran for the past 12 months. In July 2017, the Company opened a fully operational office in Tehran staffed with geological and administrative personnel. All formal documentation and registration of the Company's corporate investment structure has been completed including the incorporation of Iranian holding companies. In addition, the Company has applied for a Foreign Investment Licence.

The Company has appointed Mr Bahman Rashidi as the in-country Iranian General Manager. Mr Rashidi is a highly qualified geologist with a Master's degree in Economic Geology. He has extensive in-country experience in base and precious metals exploration in Iran. He has worked for Normandy Mining who actively explored Iran (1998-2001) as well as other major Iranian Government organisations. His experience has offered a significant first-mover advantage for the Company's business development strategy in Iran.

The Company has reviewed in excess of thirty Greenfields and Brownfields and operating mining projects to date and has concluded transactions on Tuzlar and Asbkhan. The Company is confident that several more transactions will be finalised from its initial reconnaissance to date. The Company has a fully funded exploration budget out of its current operational cashflow of US\$2.4m for 2018.

Mineral Commodities Executive Chairman, Mr Mark Caruso, said "despite global rhetoric and uncertainty surrounding the lifting of sanctions in Iran, the Company has established a first-mover advantage to enter into a world class geological and mining jurisdiction. The prolific geological endowment and the willingness of the Iranian Government to support and reinvigorate investment in the mining sector sets it aside as a preferred country for mining investment. The Company's early-mover initiative combined with its historical expertise in exploring, developing and operating mines will undoubtedly lead to successful exploration and development of mining opportunities in Iran."

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ABOUT IRAN

Iran is located in Tethyan Metallogenic belt, one of the major resource-rich regions in the world. It has a well-established long history of mining and ranked the world's 15th most mineral rich country. Aside from the energy sector where Iran ranks 1st in the world in natural gas and 4th in oil reserves, it holds 7% of the world's total minerals and proven reserves of metallic and non-metallic deposits estimated at 37 billion tonnes of proven reserves and 57 billion tonnes are probable reserve (BMI Research – Iran Mining Report Q3 2017). Iran holds the world's largest zinc reserves, the 9th largest copper reserves and twelfth largest iron ore reserves. However, Iran's mineral potential remains largely undeveloped.

Iran has well established infrastructure including an excellent network of highways, rail networks, and port facilities along the Persian Gulf, and well distributed energy supply throughout the country including both electricity and gas. The high level of education and training in Iran presents for an excellent skilled workforce opportunity that is currently deployed into the mining industry.

Since the scaling back of international sanctions in 2015 there has been a substantial increase in foreign investment into Iran including the mining sector. The Iranian Government has rolled out a 20 year plan to attract US\$20b of new investment and is pushing for greater privatisation of some of its mines to attract foreign capital and technology. The Government has introduced a range of incentives in the mining sector, including:

- Insurance coverage advantage in mine exploration, exploitation, and mineral processing under the Foreign Investment Promotional Protection Act ("FIPPA")
- Infrastructure assistance with the provision of energy and water
- Cessation of mine royalty and of land on a time base
- Allocating land in a Special Economic Zone (Tax Free)
- Updated Mines Act

Notwithstanding the significant exploration potential that exists in the country through greenfield and brownfield exploration targets, the operating cost environment is supported by highly competitive fuel and energy generation cost inputs. Iran is strategically located geographically within proximity of all major global commodity markets. The announcement by China of the construction of the 'One Belt One Road' trade route initiative will further enhance the logistical access to Iran's mineral wealth. Domestically there is enormous pent-up demand within Iran for commodities which will be driven by the construction industry as Iran modernises and rolls out new development infrastructure.

TUZLAR GOLD OPERATION

The Company has entered into an agreement to acquire up to 73.5% shareholding in the privately owned Tuzlar Gold Mining and Industry Company ("Tuzlar"). The initial investment of 22.8% of the equity in Tuzlar will cost US\$680K with an option to acquire an additional 50.7% for a cost of US\$2.529M. The Company may exercise the option to acquire the 50.7% after completing a detailed exploration program.

Tuzlar is an operating gold mine located on a granted Mining License covering 14km² which historically has produced 2,000ozs to 3,000ozs per annum. Tuzlar is located within the highly mineralised Urmia Dokhtar Magmatic Belt (UDMB) that also contains the Angouran Zn-Pb mine which is the world's highest grade zinc deposit with reserves of 16Mt at 26% Zn and 6% Pb and 28km north east of Zarshuran gold mine (4Moz@5g/t).

Tuzlar was originally discovered by Anglo American approximately 9 years ago. It was subsequently developed by in-country participants as a small gold operation with mining and processing commencing in 2016. Mining operations occur by the excavation of exposed mineralised large quartz veins grading up to 4g/t with average mined grades of 1.5 to 2.0 g/t, which outcrop in the western part of the licence area. Surface sampling has indicated that anomalous mineralisation occurs further to east of the current mining area but which has not been systematically explored. Ore treatment is processed through a vat leaching CIL gold plant.

The detailed exploration program will include systematic surface sampling and mapping, geophysics including induced polarisation (IP), magnetic surveys, reconnaissance drilling of the central part of the licence area targeting a high sulphidation magmatic system as well as deep drilling around the gold bearing quartz veins. The estimated cost of the exploration program is approximately US\$500K.

The Company intends to accelerate exploration with a view to issuing a stated JORC compliant resource which will underpin the upgrading of the process plant and an increase in gold production.

ASBKHAN COPPER-GOLD PROJECT

The Company has the right to a 75% stake in the Asbkhan Joint Venture Company which is a special purpose vehicle established to own the Asbkhan Copper-Gold Project. The Company's earn-in will be by the completion of phase 1 exploration operations to test the potential of the area.

Asbkhan is a privately owned gold exploration project located in the East Azarbaijan province in North Western Iran (see location map below) covered by a granted Mining License over an area of 6km². The initial Asbkhan gold mineralisation occurs in altered monzonite rocks. Reconnaissance exploration activities from surface sampling has identified anomalous areas of coincident Au-As-Sb. This area of Iran hosts Iranian's second largest copper deposit (Sungun, approximate resource of approximately 850Mt at 0.67% Cu, and 0.027% Mo) located approximately 60km NW of Asbkhan

Other nearby mines include the Kharvana gold project (reserves of approximately 20Mt at 1.4 g/t Au) and the Alijavid copper-gold mine (reserves of 80Mt at 0.8% Cu, and 1.7g/t Au). Kharvana is located about 40km NW of Asbkhan which is currently undergoing development and considered geologically similar to Asbkhan. Alijavid is located about 35km north of Asbkhan.

Exploration will consist of surface sampling from trenches, benches, and outcrops, ground geophysical surveys (IP) and follow up reconnaissance core drilling. The estimated budgeted expenditure for 2018 is US\$500K.

IRAN MINERALS PRODUCTION & SUPPLY COMPANY ("IMPASCO")

The Company has entered into a Non-Exclusive Memorandum of Understanding ("MOU") with IMPASCO to review and access all opportunities relating to the exploration, extraction, and processing and investment commercialisation of projects under IMPASCO management. The MOU provides for the Company to tender on advanced Gold/Copper and Brine/Potash Projects which IMPASCO is intending to commercialise.

IMPASCO is a subsidiary of the Iranian Mines and Mining Industries Development and Renovation Organisation ("IMIDRO"), is the leading holding skilled company in Iran, as well as in the world to supply minerals.

IMPASCO, with an extensive body of managers and experts, is the Iranian policy-maker and has the leading role in the field of ferrous and non-ferrous mines. IMPASCO plays an important role in the national production of metallurgic coke, iron ore, gold, ferrochrome, nepheline syenite, phosphate, limestone, potash, titanium, lead and zinc.

One of IMPASCO's objectives is to increase the gross production of the minerals in Iran to 500 million tons per year, which is one percent (1%) of the country's mineral reserves, noting at present the mineral currently extracted amounts to 370 million tons per year.

GEOLOGICAL SURVEY OF IRAN ("GSI")

An MOU has been signed with the Geological Survey of Iran (GSI) to explore country wide for base and precious metals including gold, lead, zinc, copper, mineral sands, potash, and lithium deposits. The GSI holds large parcels of land for exploration with an extensive database of geological, geochemical, and geophysical information. The MOU provides for the Company to access all data and information held by the GSI. The Company and GSI will work collaboratively to collect, categorise as well as interpret with modern exploration technology all existing data held by the GSI with an intention of further developing exploration and exploitation of mineral opportunities.

The (GSI) was established in 1962, through a special fund project of United Nations. The GSI is authorised to carry out geological and mineral investigations throughout Iran, to collect results of activities performed in this respect, to establish interrelationship and coordination between such activities and to prepare, complete, and publish geological maps of Iran. In 1999, the exploration duties of the Ministry of Mines and Metals were totally assigned to the GSI. The GSI is now responsible for the geological study of the country, and the exploration-evaluation of the mineral resources (except hydrocarbons).



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For enquires regarding this release please contact:

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Competent Persons Statement

The information in this Stock Exchange Announcement that relates to Exploration, together with any related assessments and interpretations, has been approved for release by Mr. C.R. Hastings, who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr. Hastings is a Director and part time employee of Mineral Commodities Ltd and has sufficient experience which is relevant to the style of mineralisation and types 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, Mineral Resources and Ore Reserves”. Mr. Hastings consents to the inclusion of the information contained in this ASX release in the form and context in which it appears.