



## MINERAL COMMODITIES LTD

ABN 39 008 478 653

Email: [info@mncom.com.au](mailto:info@mncom.com.au)

Web: [www.mncom.com.au](http://www.mncom.com.au)

26 May 2017

Australian Securities Exchange  
Company Announcements Office

### **EXECUTION OF AMENDED GMA GARNET CONCENTRATE OFFTAKE AGREEMENT**

Further to the ASX release of 26 April 2017, Mineral Commodities Ltd (“MRC” or collectively “the Company”) is pleased to advise that MRC, its wholly owned marketing subsidiary MRC Trading (Aust) Pty Ltd (“MRCT”) and its South African operating subsidiary Mineral Sands Resources (Pty) Ltd (“MSR”) have now executed an Amended Garnet Offtake Agreement (“Amended Offtake Agreement”) with GMA Group (“GMA”).

MRC and its subsidiaries have also executed additional related agreements with GMA as part of the Amended Offtake Agreement.

As previously advised, under the terms of the Amended Offtake Agreement, the Company will continue to produce and supply to GMA’s garnet stockpile at a rate of 240,000 tonnes for 2017, reverting back to the original 210,000 tpa contracted for the balance of the Life of Mine (“LOM”).

Furthermore, GMA has committed to take delivery of 210,000 tpa of stockpiled garnet concentrate from and including the calendar year 2017. The Company will deliver this contracted offtake tonnage from the current garnet concentrate stockpiled at the Tormin Mine Site and from forecast annual production (circa 200,000 to 250,000 tonnes for 2017).

Minimum revenue of US\$60 million will be generated from the final delivery over the next five years of the existing stockpile of garnet concentrate and forecast annual production for 2017.

This minimum revenue has been determined using a broad range of exchange rate and price assumptions stipulated in the Amended Offtake Agreement and garnet characteristics including moisture and silica content. Specific information in respect to these assumptions is considered to be commercially sensitive.

Under the Agreements, MSR will provide a segregated and dedicated leased area located on the Tormin Mine Site at which GMA can take delivery of garnet concentrate.

GMA have also agreed to pay for all historically incurred and future stockpile capital and maintenance costs relating to the increased stockpiling capacity required by GMA.

The original Loan Agreement with GMA provided for repayment and interest charges to commence on the continuous delivery of garnet concentrate in accordance with the original Offtake Agreement. The parties have now agreed that interest charges will commence on 1 May 2017 and repayments will commence on the 1<sup>st</sup> day of each following month thereafter, over the 36 month repayment period.

- ENDS -

**For enquiries regarding this release please contact:**

**Peter Torre – Company Secretary**

**Ph +61 8 6253 1100**