



ASX: MRC

11 September 2020

COMMENCEMENT OF MINING AT TORMIN WESTERN STRANDLINE

- **New era of mining at Tormin with the commencement of mining of the first pit of the Western Strandline section of the Company's Inland Strand**
- **Engineering and design for expanded processing capacity on track, with procurement underway of long lead items**
- **Site infrastructure and civil construction for the mobilisation of Primary Beach Concentrator module to the Northern Beaches has commenced**

Mineral Commodities Ltd ("MRC" or "the Company") and its empowerment partner, Blue Bantry Investments 255 (Pty) Ltd, are pleased to announce that mining has commenced at the Western Strandline, adjacent to their existing Tormin mining operations in the Western Cape province of South Africa.

Conventional open pit mining has commenced, accessing mineralisation from near surface with excavators and articulated dump trucks, following completion of topsoil stripping in the southern part of the Section 102 Amended Mining Right ("S102 Mining Right") (WC 30/5/1/2/2/10108MR) area of the Western Strandline.

As part of a phased development program, the first pit, located only 600 metres south of the current Tormin processing plant, will initially target near surface, very high grade strand horizons, which will be hauled to the existing Primary Beach Concentrator/Tailings Separation Plant ("PBC/TSP") for primary low-impact crushing. The Red Aeolian and Orange Feldspathic Sands will be subsequently processed after the installation of a thickener, which is planned to be installed by the end of the December quarter.

The Company is also well advanced for the mobilisation of one of its primary PBC/TSP processing units to the Northern Beaches mining areas. It is intended to commission these operations in Q4, once the Inland Strand mining operations and processing have been commissioned into steady state.

Executive Chairman Mark Causo said, *"The commencement of mining represents another significant milestone in the rapid development of the Inland Strand. Mining has commenced within two months of receipt of the approvals to expand the mining and processing operations at Tormin."*

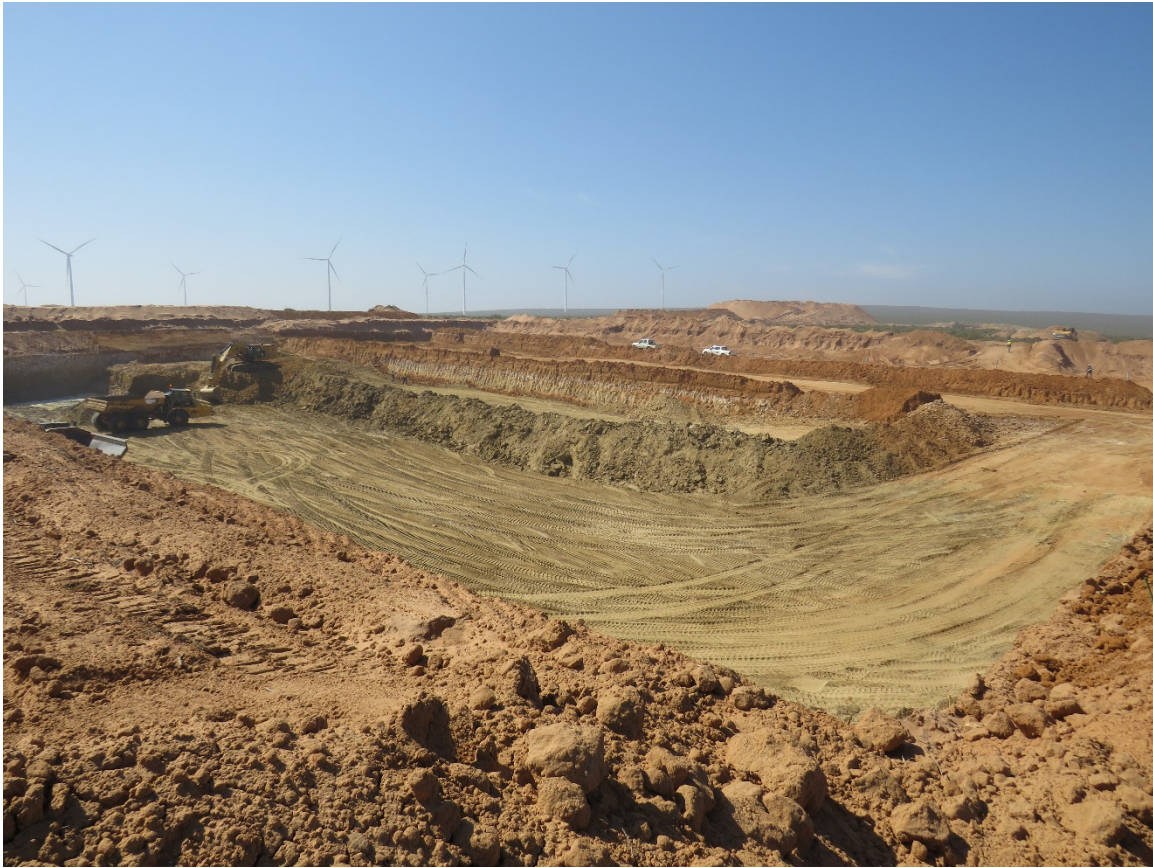


Figure 1: Mining in the first pit in the southern part of the S102 Mining Right.

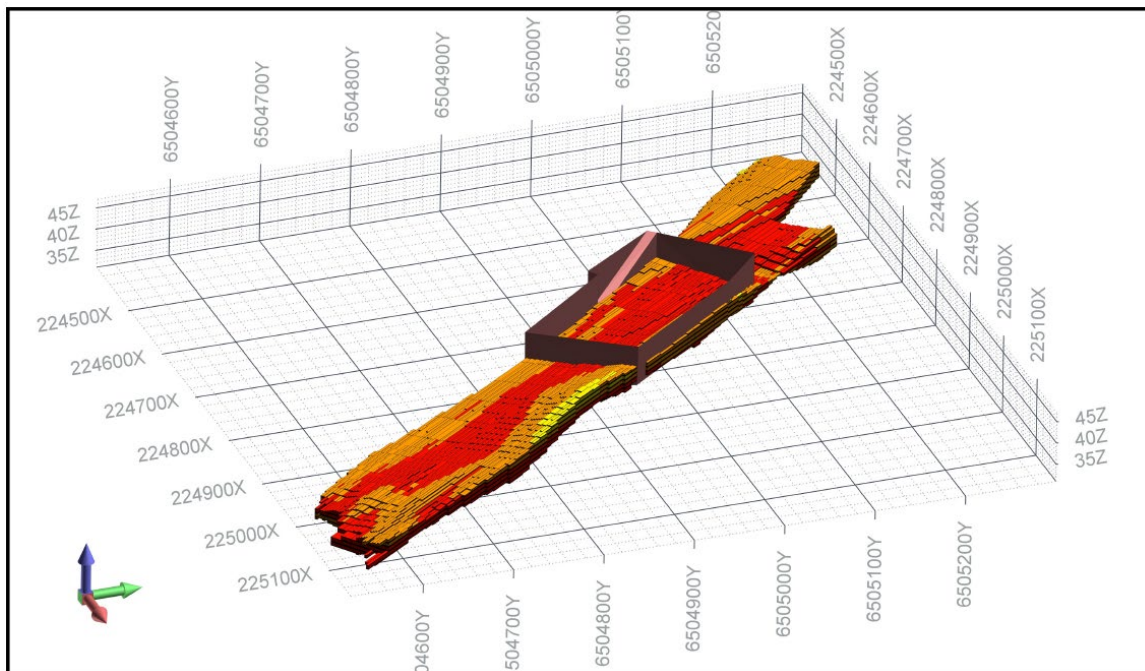


Figure 2: Oblique view of the first pit in the southern part of the Western Strandline, looking northwest.

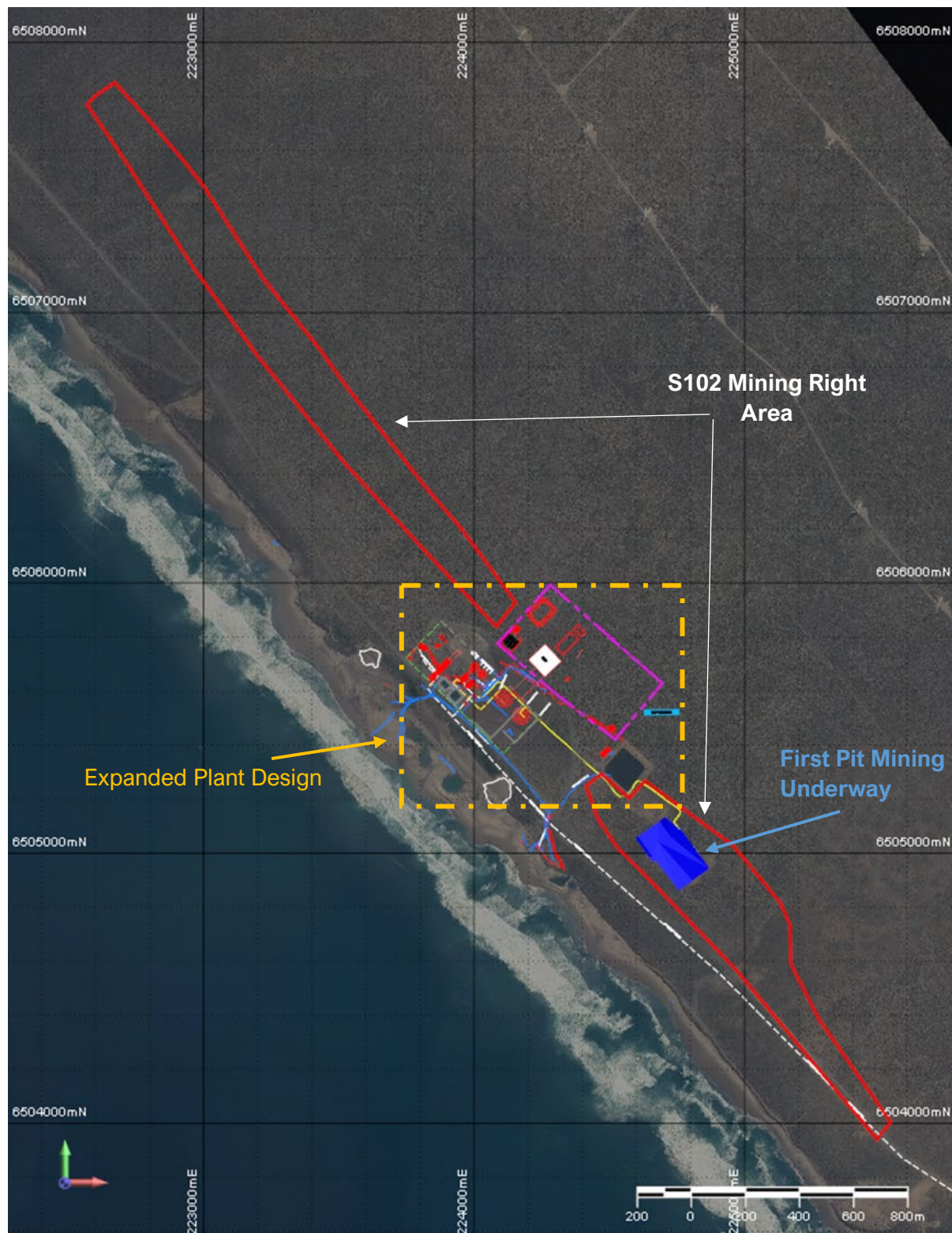


Figure 3: Western Strandline, showing first open pit location and S102 Mining Right area.

The Western Strandline spans the S102 Mining Right and Prospecting Right (WC 30/5/1/1/2/10262PR) owned by the Company's 50% owned South African subsidiary, Mineral Sands Resources (Pty) Ltd. The S102 Mining Right area, which comprises two areas totalling approximately 5.5km in length and covering 75 hectares, is located adjacent to the existing plant and is approved for immediate mining operations as part of the recently granted S102 Mining Right.

Almost 22% of the total **106 million tonnes at 12.4% Total Heavy Minerals (“THM”)**¹ mineral resource in the Western Strandline is located within the S102 Mining Right area (**22.8 million tonnes at 20.9% THM**). The majority (85%) of the Mineral Resource that is within the S102 Mining Right is classified as Measured and Indicated (Table 1).

Table 1- Mineral Resources for the Western Strandline deposit inside S102 Mining Right area (2% THM cut-off grade)

| Category | Tonnes (Mt) | THM (%) | In Situ THM (Mt) | Zircon (%HM) | Garnet (%HM) | Ilmenite (%HM) | Rutile (%HM) | Anatase (%HM) | Magnetite (%HM) | Slimes (%) |
|------------------|-------------|--------------|------------------|--------------|--------------|----------------|--------------|---------------|-----------------|--------------|
| Measured | 6.4 | 21.25 | 1.4 | 2.49 | 15.16 | 15.63 | 1.15 | 0.24 | 0.65 | 12.66 |
| Indicated | 13.1 | 23.12 | 3.0 | 1.09 | 12.41 | 5.09 | 0.67 | 0.11 | 0.28 | 12.10 |
| Inferred | 3.3 | 11.60 | 0.4 | 3.17 | 17.99 | 16.81 | 1.56 | 0.33 | 0.74 | 22.13 |
| Total | 22.8 | 20.92 | 4.8 | 1.66 | 13.65 | 9.04 | 0.88 | 0.17 | 0.42 | 13.71 |

Mineral assemblage reported as in situ percentage of THM content.

MRC has engaged IHC Robbins to undertake short to medium term mine planning, scheduling and pit optimisation. Obsideo Consulting (South Africa) and MinSol Engineering (Australia) have been engaged to manage and continue testwork and complete detailed engineering and design studies on the planned PBC upgrade which will enable throughput capacity of ~4Mtpa by 2022² and Magnetic Separation Plant with a capacity of ~350tpa for the production of finished ilmenite, garnet and rutile products.

The new front end feed system will be constructed, including a crushing circuit, as well as additional classification, concentration and thickener circuits. These front end and additional upgrades will enable total primary processing capacity to increase from the current ~2.5Mtpa to up to 4Mtpa.² The final stages of the engineering and tendering process are reaching conclusion for the 10MW Eskom power connection from the nearby renewable energy 100MW Sere wind farm, with an intended award in Q4.

The Company has placed orders for some long lead items, including the construction of a thickener.

1- ASX Release – MASSIVE INCREASE IN MINERAL RESOURCES AT TORMIN, 27 August 2020.

2- These present expected capacity only and do not represent actual annual production guidance. Specific annual production guidance will be provided on a quarterly and annual basis.

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Mineral Commodities Ltd (ASX: MRC) is a global mining and development company with a primary focus on the development of high-grade mineral deposits within the mineral sands and battery minerals sectors.

The Company is a leading producer of zircon, rutile, garnet and ilmenite concentrates through its Tormin Mineral Sands Operation, located on the Western Cape of South Africa. In October 2019, the Company completed the acquisition of Skaland Graphite AS, the owner of the world's highest-grade operating flake graphite mine and one of the only producers in Europe. The planned development of the Munglinup Graphite Project, located in Western Australia, builds on the Skaland acquisition and is a further step toward an integrated, downstream value-adding strategy which aims to capitalise on the fast-growing demand for sustainably manufactured lithium-ion batteries.

Cautionary Statement

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 several factors could cause actual results or expectations to differ materially from the results expressed or implied in the forward-looking statements.