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MINERAL COMMODITIES LAUNCHES BATEMAN BANKABLE FEASIBILITY STUDY ON A$18M TORMIN ZIRCON PROJECT

2ND STRATEGIC SOUTH AFRICAN MINERAL SANDS DEVELOPMENT OPPORTUNITY

Australian-based mineral sands group Mineral Commodities Limited (**ASX: MRC**) today announced the commencement of a Bankable Feasibility Study (BFS) on a proposed A$18 million development of its Tormin Zircon Project on South Africa's West Coast after signing an agreement with South African-based Bateman Minerals (Pty) Ltd as engineering partner.

The 100%-owned Tormin Project, located approximately 400 kilometres north of Cape Town, is a high-grade, zircon-rich resource which, when developed, could position Mineral Commodities as a niche supplier to one of the fastest growing sectors of the international mineral sands market.

Continued tight market conditions characterised by strong growth in consumption led by China and the global ceramics industry have seen recent strong increases in the zircon price.

Respected minerals sands market analysts TZ Minerals (TZMI) predict a significant and widening gap between supply and demand for zircon in the next 3-5 years.

Under the agreement announced today, Bateman has been appointed to undertake the BFS on the Tormin Project, which is based on an innovative proposal to mine and process a rich heavy mineral resource overlying diamondiferous coastal sands on South Africa's West Coast. As part of the BFS, Bateman will include a Build, Own, Operate option.

Bateman has also agreed to take a placement of 743,209 shares at an approximate value of A$450,000 in Mineral Commodities, with the funds raised to be applied to conduct the BFS.

Mineral Commodities' Managing Director, Mr Mark Caruso, said the Tormin Project represented a potentially high-value cash flow opportunity for the Company with a relatively short development timeframe.

"With its very high zircon content, Tormin can be brought on stream quickly to take advantage of the current strong market conditions," Mr Caruso said. "The zircon market is one of the most attractive sectors of the mineral sands market, with strong demand led by Chinese growth and limited new supply coming on stream in the next 1-2 years."

Mineral Commodities' CEO, Mr Alan Luscombe, said the Tormin BFS would be completed by mid 2004 and, if positive, would enable the Company to achieve first production from the project in 2005.

Mineral Commodities has applied for a Prospecting Permit for the proposed mining area. The period for public submissions closed on 30 September 2003, and approval is expected during the December 2003 Quarter. Once the Permit is granted, the Company plans to commence a check-drilling program to confirm the volume and grade of the resource.

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Trans Hex Group defined a resource of 4.9 million tonnes grading 42.3% Heavy Mineral (HM) as part of a previous feasibility study on the production of mineral sands from its leases. An in-house preliminary scoping study of the project estimated that a mining rate of 800,000 tonnes per annum (over a 6 year mine life) would generate annual revenues of A$15.6 million. Based on the placer beach geological nature of the deposit, the Company is confident that the current tonnage of heavy minerals will be increased, permitting an extended mine life.

The annual revenue is based on the production of 4,000 tonnes per annum of rutile and leucoxene respectively and 16,000 tonnes per annum of zircon and does not include any value assigned to the Ilmenite and Garnet contained in the mineral assemblage. Preliminary testwork has indicated the minerals can be effectively separated. Should the BFS confirm that the Ilmenite and Garnet products meet market specifications, the annual revenue will increase to A$30.0million. Additional equipment required in the Mineral Separating plant will increase the capital requirement by A$9million.

Mr. Luscombe said Trans Hex had offered an area of land adjacent to their existing Dense Media Separation (DMS) diamond production plant at De Punt for construction of a Mineral Separation Plant. "We have developed an excellent relationship with Trans Hex Group, and we look forward to the opportunity of working alongside them in this mineral-rich region," he said.

The Project is expected to have minimal environmental rehabilitation requirements due to natural tidal forces. Mineral Commodities has conducted preliminary discussions with regard to potential Black Economic Empowerment (BEE) participation in the project. Further announcement on this subject will follow the completion of the BFS.

Background Information

Mineral Commodities is an Australian-based mineral sands company with two key assets in South Africa, the Xolobeni and Tormin Projects. Mineral Commodities' objective is to become a significant, unaligned heavy mineral producer supplying niche markets within 3-5 years.

The Xolobeni Mineral Sands Project, located 200 kilometres south of Durban in South Africa's Eastern Cape Province, is a potential top-10 mineral sands project in world terms with a resource of 313 million tonnes at 5.4% Heavy Mineral (HM) containing 16.9 million tonnes of heavy mineral. Xolobeni is strategically located close to other major mineral sands mining and processing operations on South Africa's East Coast.

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