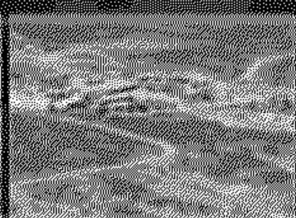
Mineral Commodities Ltd

MRC

Annual General Meeting – 31 May 2004

Corporate Overview

- 51 million fully-paid shares
- 19 million options (exercisable by 31 May 2004)
- High-quality, advanced South African mineral sands assets:
  - Xolobeni Project, Eastern Cape
  - Tormin Project, Western Cape
- Strategic investments in ASX-listed resource companies
- Experienced management team
- Strong financial position – $6 million in cash and investments

Year in Review

Tormin bankable study underway

Miner chases S African booty

by James Hamilton

PERTH-based mineral sands explorer Mineral Commodities has begun an $18 million bankable feasibility study on its Tormin zircon project in South Africa.

The study will be conducted by South African-based Bateman Minerals, which has signed an agreement to be Mineral Commodities' engineering partner.

Bateman has also agreed to take a $600,000 placement in the Australian company.

Tormin looks interesting because of a strengthening zircon price. Strong consumption by China and the global ceramics industry has led to tight supply conditions and short-term production looks limited.

The project, north of Cape Town, has a defined resource of 4.3 million tonnes grading 42.3 per cent heavy minerals.

An in-house preliminary scoping study of the project estimated that at a mining rate of 800,000 tonnes per annum, it would generate $12.6 million annual revenue.

That number is based on the produc-

TIME SEEMS RIGHT FOR XOLOBENI

Minerals GAZETTE

Australian company progresses its Xolobeni heavy minerals project

Dryblower: MinCom demands closer attention

Tuesday, July 22, 2003

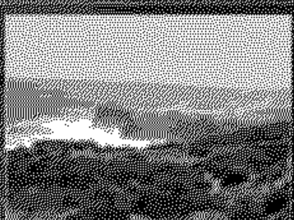
GETTING noticed is half the battle for small miners these days, which is why *Dryblower's* eye has been drifting over Mineral Commodities, a one-time copper hopeful which has joined the mini-rush of Australian explorers to South Africa.

Before learning too much about MinCom's exploits in the continent the most

Year in Review – Key Milestones

Corporate

- Activities for the year fully funded from investment proceeds:
  - $0.8m pre-tax profit for year to 31 December 2003
  - Significant profit from sale of interest in Fortescue Metals Group Ltd
- 19.9% interest secured in Allied Gold Ltd following transfer of gold assets from FMG
- Bonus 1-for-3 option issue – entitlement date 30 June 2004
- Appointment of South African-based General Manager



Year in Review – Key Milestones

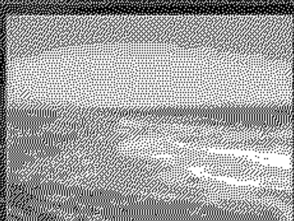
Xolobeni Project

- Mineral Lease granted following Prospecting Permit conversion
- Black Economic Empowerment (BEE) agreement signed with local community
- Xolobeni Empowerment & Social Plan released by BEE partner
- Topographic & environmental review and reports on rehabilitation methods completed
- N2 Toll Road approval boosts prospects for balanced development of Eastern Cape Province

Year in Review – Key Milestones

Tormin Project

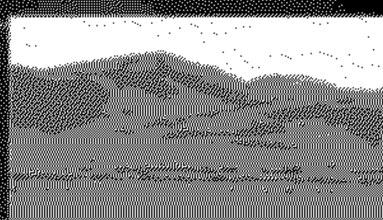
- BEE agreement concluded with Bateman Africa (Pty) Ltd
- Bankable Feasibility Study commenced following agreement with Bateman Minerals (Pty) Ltd as engineering partner
- Bateman BV takes up 1.6% placement in MRC to provide funding for BFS
- Positive results from spiral test work confirming heavy mineral can be upgraded
- Resource access agreements signed with Steenvas CC and Namakwa Sands Limited
- Prospecting Permit application lodged



Year in Review – Key Milestones

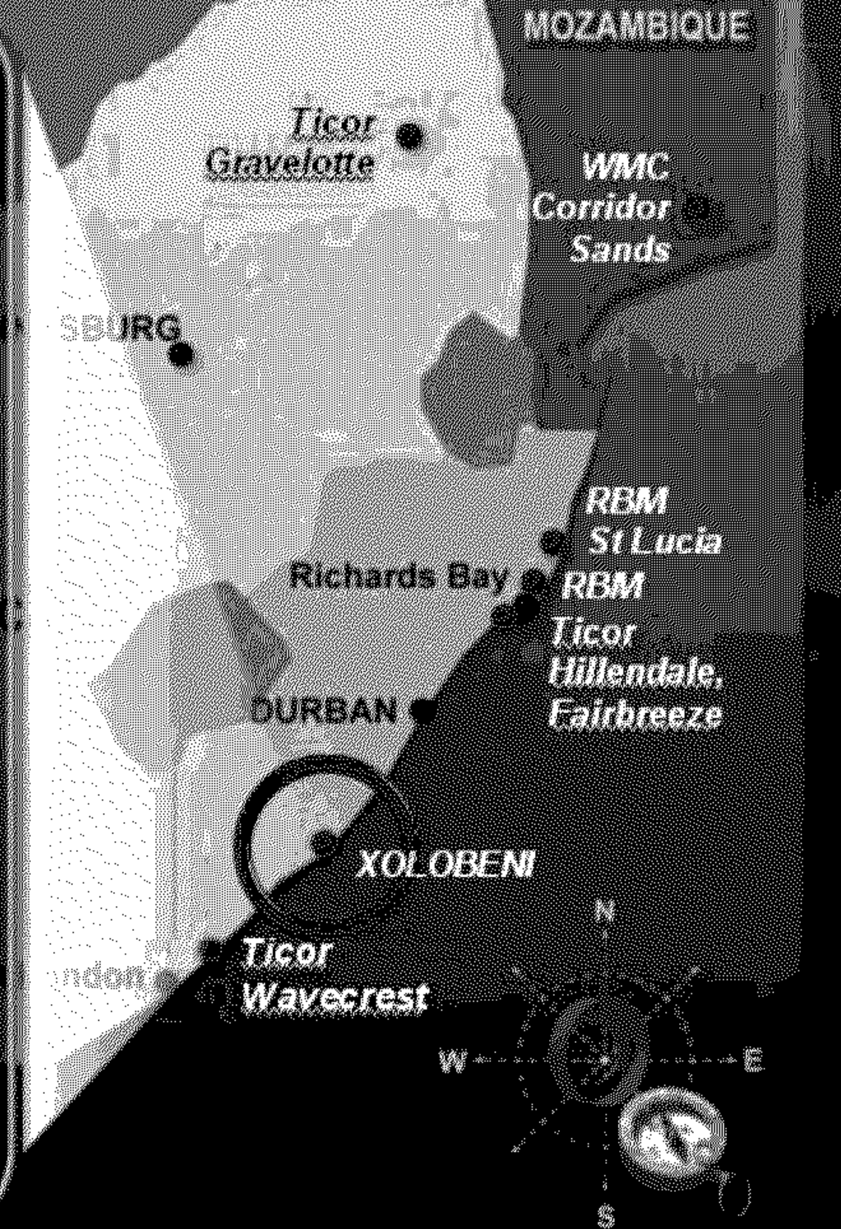
Other Projects

- Option agreement with Placer Pacific (Osborne) Pty Ltd finalised on Trekelano Project in Queensland ($1 million cash payment plus royalty if exercised)
- Decision to withdraw from Yandallah Mineral Sands Project, Western Australia and Walvis Bay Project, Namibia

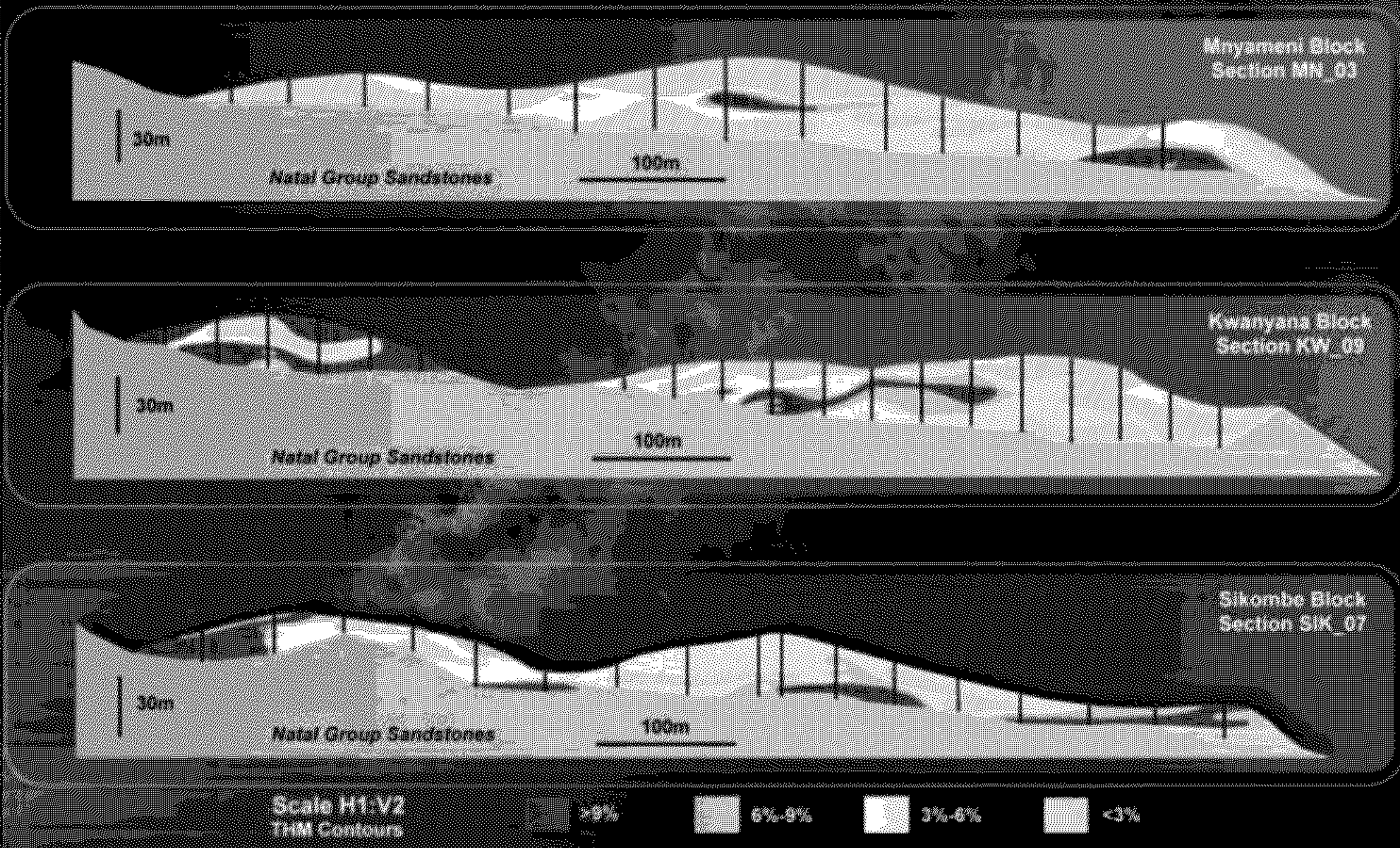


Xolobeni Project - Overview

- 10th largest heavy mineral deposit in the world
- Strategic location on East Coast of South Africa – tenements covering 2,992 hectares
- Resource of 346 million tonnes grading 5.14% HM, containing 16.9 million tonnes HM and 9.1 million tonnes ilmenite
- All products meet market specifications



Xolobeni - Geology



Xolobeni - Resource Classification

MRC

1% Heavy Mineral Cut off Grade

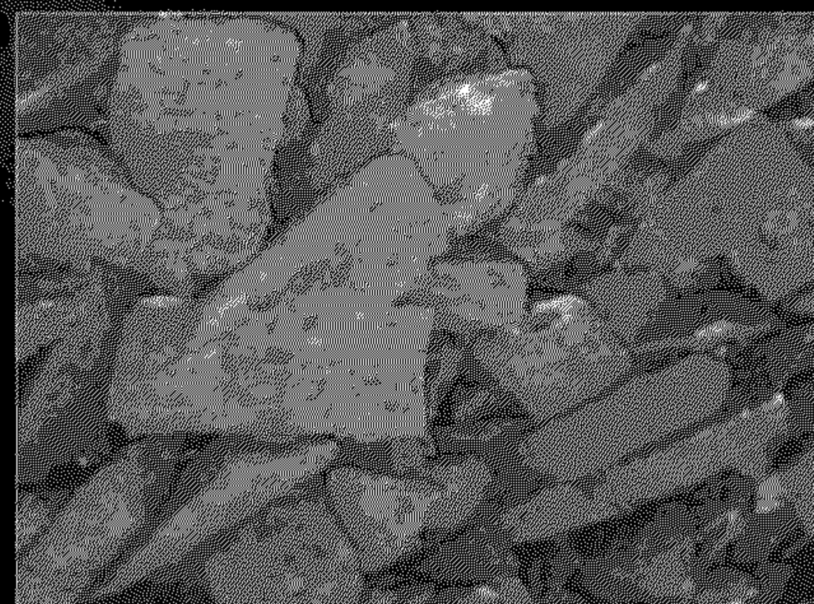
	Reported 2003			
Area	**Status**	**Tonnes (million)**	**% HM**	**% Ilmenite**
Sikombe	**Measured**	85	5.5	3.1
Kwanyana	**Measured**	139	5.8	3.1
Mnyameni	**Indicated**	104	4.1	2.2
Mpahlane	**Inferred**	18	2.3	1.6
TOTAL		346	5.0	2.7

Recent auger drilling indicates 2003 resource grade estimates conservative, with higher heavy mineral content and lower slimes than 2002 aircore drilling samples.

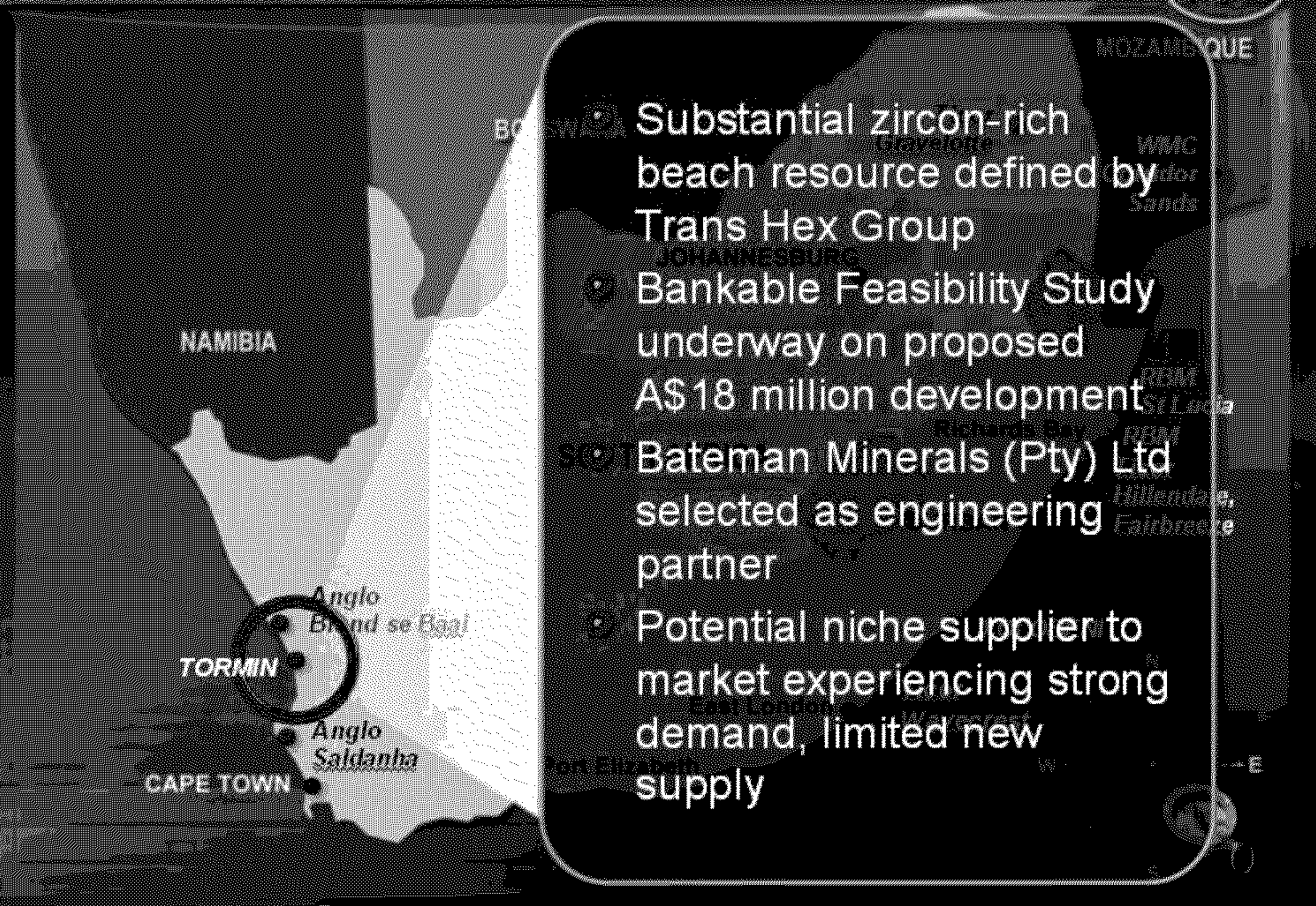
The Xolobeni Resource Statement was prepared by Mr Daniel Guibal (SRK Consulting). A qualified person as defined by the JORC (Joint Ore Resource Committee).

Xolobeni Production

- 425,000tpa Heavy Mineral Concentrate (HMC) processed to produce:
  - 250,000tpa Ilmenite – roaster feed
  - 19,000tpa Rutile
  - 15,000tpa Leucoxene
  - 15,000tpa Zircon
  - 137,000tpa Titanium Slag
  - 75,000tpa Pig Iron
- Annual forecast revenue of US$73 million, with a total life-of-mine value exceeding US$1.8 billion



Tormin Project - Overview



- Substantial zircon-rich beach resource defined by Trans Hex Group
- Bankable Feasibility Study underway on proposed A$18 million development
- Bateman Minerals (Pty) Ltd selected as engineering partner
- Potential niche supplier to market experiencing strong demand, limited new supply

Tormin Project Overview

- Preliminary in-house scoping study estimated mining rate of 860,000tpa
- 327,000tpa Heavy Mineral Concentrate processed to produce:
  - 4,200tpa rutile
  - 3,700tpa leucoxene
  - 16,600tpa zircon
- Forecast 6 year mine life
- Forecast annual revenues of A$15.6 million, with potential to increase to A$30 million if ilmenite and garnet products meet market specifications
- On site wet concentrate plant will be transportable
- Mineral Separation Plant located at nearby Trans Hex DMS plant
- Minimal environmental rehabilitation requirements

HSE and Community Relations

Mineral Commodities takes a long-term view of its business and maintains the highest possible level of commitment to social responsibility, the environment and sustainable development

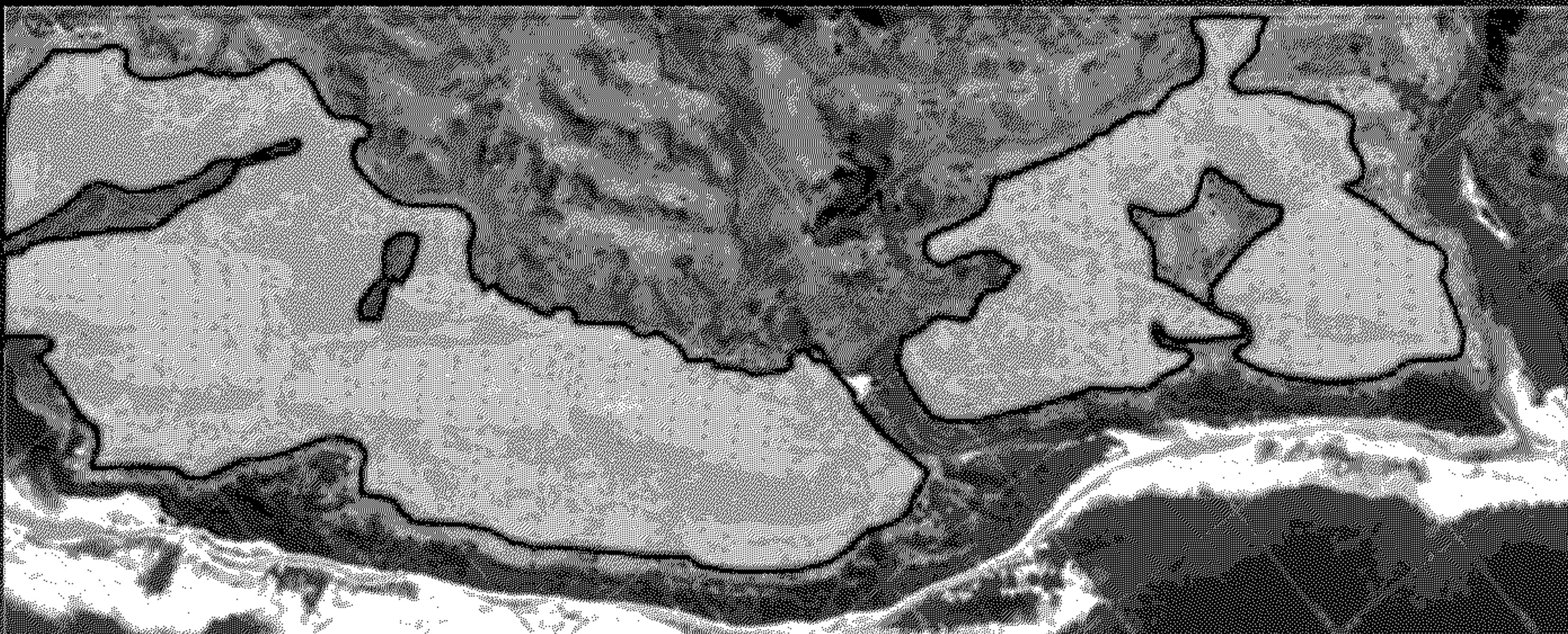
Mineral Commodities:

- **values** its people
- **respects** its host communities
- **committed** to the South African Socio-Economic Empowerment Charter
- has a commitment to **excellence** in Health, Safety & the Environment

Xolobeni - Environmental Management

- Detailed topographic and environmental review defined resource areas
- Areas are located behind frontal dunes and other coastal features and do not impact on coastal environment
- Mining benefits - dune stabilisation, improved access and upgraded infrastructure will enhance eco-tourism
- Reports on rehabilitation methods completed
- Long-term focus on sustainable development post-mining

Xolobeni - Proposed Mining Area



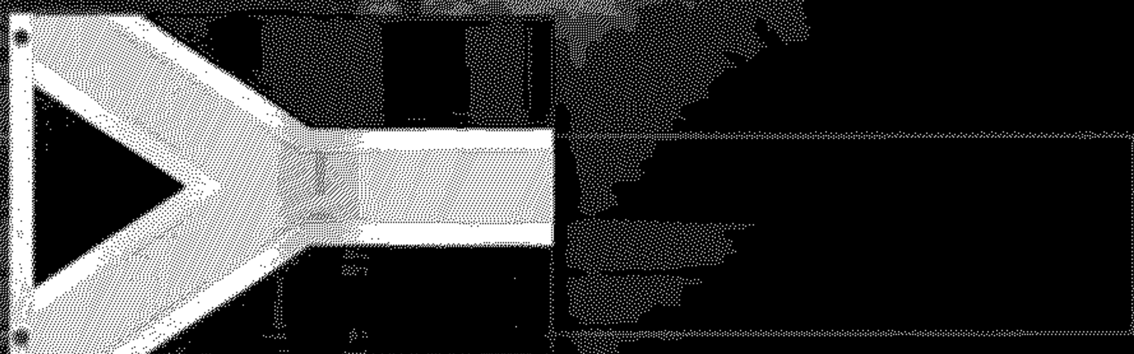
Kwanyana resource and exclusion areas

Xolobeni – BEE Agreement

- Agreement with community-based BEE partner, Xolobeni Empowerment Company (Pty) Ltd (XolCo)
- 2-stage investment worth up to US$10.6m:
  - initial 5% interest in MRC subsidiary, Transworld Energy & Minerals Resources (SA) (Pty) Ltd (TEM), for US$2.6m
  - further 10% interest for US$8m
- Ensures future benefits flow directly to local Amadiba community
- Achieves BEE compliance
- Accommodates possible future BEE partners

Xolobeni – BEE Program

- XolCo represents Amadiba Community through a development trust structure
- Community Empowerment & Social plan
- Community consultations and media campaigns to expose rural neglect
- Presentations and communication to local, provincial and national government
- Commitment to alleviating poverty and lack of services, determining future sustainable industries post-mining



Xolobeni – Community Benefits & Support Programs

- Community investment in project through BEE agreement
- Expanding opportunities for HDSA's
- Economic upliftment for depressed Eastern Cape Province
- Temporary and permanent employment opportunities
- Education & training
- Direct and indirect economic benefits
- Potential future downstream processing

Xolobeni – Community Benefits & Support Programs

- Agricultural and farming programs to increase food production
- Literacy program covering basic literacy for adults and ensuring children attend school
- Bursaries for matriculants to study at a tertiary institution
- Hospitality program to encourage tourism and sale of local crafts
- Encourage the development of other industries besides mining and eco-tourism

Tormin – BEE Agreement

- Agreement with Bateman Africa (Pty) Ltd, 51%-owned BEE affiliate of engineering group Bateman Minerals (Pty) Ltd
- Bateman Africa can acquire 15% interest in MRC subsidiary, Mineral Sands Resources (Pty) Ltd
  - exercisable on completion of BFS
  - value dependent on NPV, to be determined by BFS
- Final requirement for grant of Prospecting Permit
- Access to combined resources of five Bateman Africa shareholders

Summary – 12 month objectives

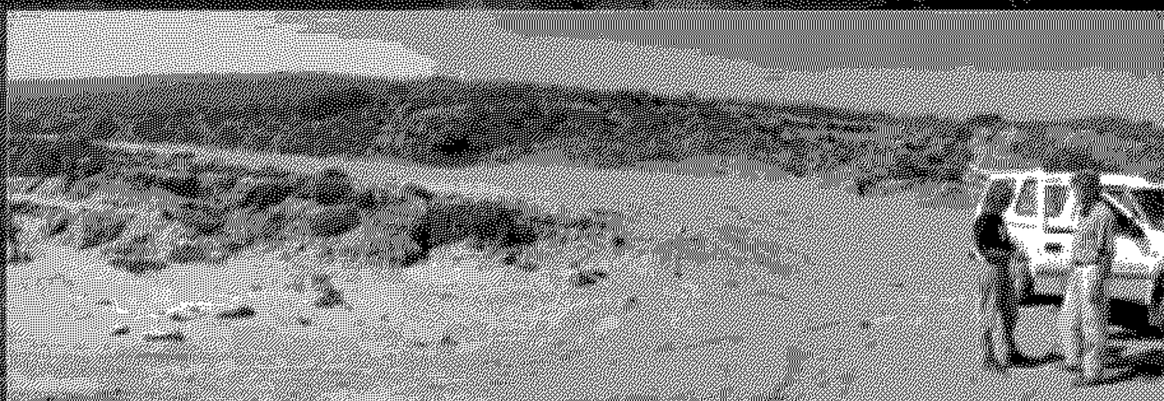
Xolobeni

- Select Engineering Partner
- Commence Bankable Feasibility Study (BFS)
- Commence Environmental Impact Assessment
- Apply for Mining Right under new minerals legislation
- Maintain national, regional, local and community support

Summary – 12 month objectives

Tormin

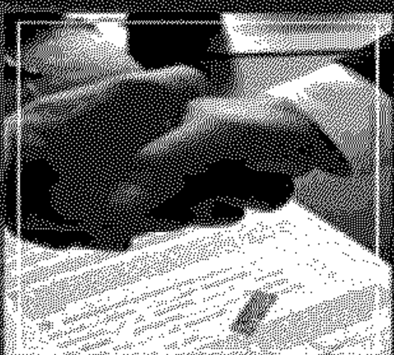
- Convert 'Pending' Prospecting Permit into a Prospecting Right
- Apply for Mining Right
- Complete Bankable Feasibility Study
- Complete Environmental Impact Assessment
- Commence marketing discussions
- First production targeted in 2006 to take advantage of strong market demand



Summary – 12 month objectives

Corporate

- Capital raising to A$3 million on Alternative Investment Market



An Emerging Independent Mineral Sands Group

Mineral Commodities is an Australian-based mineral sands company whose objective is to become a significant, unaligned heavy mineral producer supplying niche markets within 3-5 years.

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