



Mineral Commodities Ltd

ACN 008 478 653
ABN 39 008 478 653

Unit 15, Level 1, 51-53 Kewdale Road
Welshpool, Western Australia 6106
PO Box 235, Welshpool DC 6986
Telephone: 61 8 9353 4890
Facsimile: 61 8 9353 4894
Email: info@mncom.com.au
Web: www.mncom.com.au

1 March 2006

Australian Stock Exchange
Company Announcements Office

GRANTING OF TORMIN PROSPECTING RIGHT

Mineral Commodities Limited is pleased to announce it has been informed in writing by the South African Department of Minerals and Energy (DME) that an application for a Prospecting Right for the Tormin Project, lodged by South African subsidiary company Mineral Sands Resources (Pty) Ltd, (MSR) has been approved.

The Prospecting Right is in the form of a contract between the DME and MSR. The contract will now be formally executed and registered, a process that will be completed in approximately 30 days. Approval of the Prospecting Right is a significant event in the development of the Tormin Mineral Sands Project.

The Company intends to immediately commence preparations for a Mining Right Application on the area covered by the Prospecting Right. This is a comprehensive process which requires preparation of a number of key component parts including a Social and Labour Plan and an Environmental Impact Assessment. It is anticipated that the Mining Right Application will be lodged within 6 months subject to DME approvals.

In addition the Company has an agreement to acquire an existing granted Mining Permit covering a smaller property located within the boundary of the Tormin Project area. The Company will now apply to consolidate this existing Mining Permit into the overall Mining Right Application.

TORMIN MINERAL SANDS PROJECT

The Tormin mineral sands prospect is a beach deposit located on the rugged west coast of South Africa, approx 400km north of Cape Town. The deposit is situated approx 14km north of the Olifants River and south of the Anglo Base Metals' Namakwa Sands operation at Brand se Baai. The heavy mineral deposits have accumulated along the ~12km long, 100m wide beach, to a maximum depth of 12m. The predominant heavy mineral is garnet with ilmenite, pyroxene, zircon, rutile, and leucoxene contained in the heavy mineral assemblage.

As the heavy mineral placer deposits overlie diamond bearing gravel beds a feasibility study into mining the beach deposits and extracting both diamonds and heavy minerals was undertaken by Trans Hex Operations (Pty) Ltd (THG), a South African diamond producer in 1992. The beach was drilled and a pilot plant operated to determine plant operational parameters. Based on this work, THG concluded that the beach contained an average of 7.69% ilmenite, 2.08% zircon and 0.54% rutile.

In 2004/2005 the Company engaged Bateman Engineering to undertake a feasibility study on the project. As part of this study, Bateman collected 14 bulk samples from the beach for metallurgical test work. The head grades for these bulk samples were in line with the THG drilling results showing the same systematic variations in zircon and rutile grades along and across the beach.

The Company has therefore concluded that the distribution of heavy mineral on the beach has not significantly varied since the THG work and has commissioned an independent study to confirm the THG results.

The Bateman Engineering feasibility study is based on producing heavy mineral concentrate from the beach with a wet separation plant and processing that concentrate through a Mineral Separation Plant (MSP) located at Trans Hex Group's Die Punt diamond processing site.

The Bateman feasibility study confirms the project can produce a high quality (ceramic grade) Zircon and Hi Ti product. This feasibility study is currently under independent review. The company is also conducting further studies into a project whereby a non-magnetic Heavy Mineral Concentrate would be produced containing only Zircon, Rutile and Leucoxene. This would reduce the requirement for a MSP.

For further information please contact:

Mark Caruso
Managing Director
+61 8 9353 4890

The information contained in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr G H Steemson who is a Fellow of the Australian Institute of Mining and Metallurgy. Mr Steemson is a non-executive director of the Company. Mr Steemson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources or Ore Reserves. Mr Steemson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.