Mineral Commodities Ltd
ACN 008 478 653
ABN 39 008 478 653

36-40 Murray Road North Welshpool WA 6106
PO Box 235, Welshpool DC WA 6986, Australia
Telephone: 61 8 6253 1100
Facsimile: 61 8 9258 3601
Email: info@mncom.com.au
Web: www.mncom.com.au

23 February 2012

Ms Elizabeth Harris
Australian Securities Exchange

By Email: Elizabeth.harris@asx.com.au

Dear Elizabeth

MINERAL COMMODITIES LIMITED – APPENDIX 5B 31 DECEMBER 2011

Further to your letter dated 21 February 2012, we advise as follows:

1. Whilst the cash balance at the end of the December 2011 quarter was $249,000, one should note, as reported in the Quarterly Activities Report, that the Company held approximately $1.65 million in tradable securities. The Company also noted in its Quarterly Activities Report that is was currently reviewing its funding alternatives with an aim to raising funds in the coming quarter to meet existing commitments and for the development of the Tormin Mineral Sands Project.

   The Company has continued to divest certain parcels of shares as and when additional cash flow is required. You will note that in the Appendix 5B for the quarter, it was reported that $620,000 for the quarter and $1,431,000 year to date has been realized through the divestment of such tradable securities.

   The Company continues to assess other fundraising initiatives in light of the current stage of development of its projects and other investment opportunities.

2. The Company expects to have negative operating cash flows in future quarters due to its status as a mineral explorer in development stage. The points outlined above will ensure that the Company is fully funded to continue to operate as such and to develop its projects.
3. The points outlined in 1 above will enable the Company to meet its business objectives.
4. The Company is in compliance with the ASX Listing Rules, in particular listing rule 3.1.
5. Given the responses above, the Company's financial position is adequate to warrant the continued quotation of its securities and its continued listing.

If there is any further information you require, please advise and we will provide accordingly.

Yours faithfully

Peter Torre
Company Secretary

ASX Compliance Pty Limited
ABN 26 087 780 489
Level 8 Exchange Plaza
2 The Esplanade
PERTH WA 6000

GPO Box D187
PERTH WA 6840

Telephone 61 8 9224 0000
Facsimile 61 8 9221 2020
www.asx.com.au

21 February 2012

Mr Peter Torre
Company Secretary
Mineral Commodities Ltd
Suite 27
133 Kewdale Road
KEWDALE WA 6105

Dear Peter

Mineral Commodities Ltd ("Company")

I refer to the Company's Quarterly Cashflow Report in the form of Appendix 5B for the period ended 31 December 2011, released to ASX Limited ("ASX") on 31 January 2012 (the "Appendix 5B").

ASX notes that the Company has reported the following.

1. Receipts from product sales of nil.

2. Net negative operating cash flows for the quarter of $751,000.

3. Cash at end of quarter of $249,000.

4. Estimated cash flows for the next quarter of $1,650,000

In light of the information contained in the Appendix 5B, please respond to each of the following questions.

1. Is it possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 5B, the Company may not have sufficient cash to fund its activities? Is this the case, or are there other factors that should be taken into account in assessing the Company's position?

2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 5B for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?

3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?

4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?

5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response will be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me on facsimile number +61 8 9221 2020 or email Elizabeth.Harris@ASX.com.au. It should <u>not</u> be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than 10.00am WST on Friday, 24 February 2012.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries please let me know.

Yours sincerely,

[sent electronically without signature]

Elizabeth Harris
<u>Principal Adviser, Listings (Perth)</u>