



Mineral Commodities Ltd

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24 October 2012

TORMIN TO PROCEED TO DEVELOPMENT VIA A\$14.5M CAPITAL RAISING

- **MRC to raise approximately A\$14.5 million through:**
 - approximately A\$10.25 million up front placement to institutional and sophisticated investors pursuant to pre-existing shareholder approval;
 - approximately A\$3.4 million to be subscribed for by related parties of MRC subject to the receipt of shareholder approval; and
 - A\$850 thousand to be placed to a sophisticated investor following the placement to related parties.
- **New Shares issued pursuant to the proposed capital raising at A\$0.085 per Share.**
- **Funds raised will be used to fund the commencement of development of MRC's Tormin Mineral Sands Project in South Africa.**

Mineral Commodities Limited ("**MRC**" or the "**Company**") (ASX: MRC) has successfully completed the book build for a placement of new fully paid shares ("**Shares**") to institutional and sophisticated investors and related parties, raising approximately A\$14.5 million (before costs) ("**Capital Raising**").

The Shares under the Capital Raising will be issued at a price of A\$0.085 per share ("**Issue Price**"), which represents the closing price of MRC's shares on 22 October 2012.

The Shares issued pursuant to the Capital Raising, when issued, will rank pari passu with existing ordinary shares of the Company.

London Based Mirabaud Securities LLP is acting as Sole Broker and Bookrunner on the Capital Raising.

The Capital Raising is to be completed in three tranches: the first tranche of up to approximately A\$10.25 million to institutional and sophisticated investors ("**Placement**"); the second tranche of approximately A\$3.4 million is proposed to be issued to related parties of the Company, which will be subject to shareholder approval, and the third tranche will be issued by way of a private placement of approximately \$850,000 to a sophisticated investor who participated in the first tranche ("**Private Placement**").

MRC will issue approximately 170.5 million Shares in total pursuant to the Capital Raising. The first tranche of the Shares to be issued pursuant to the Placement of approximately 120.6 million Shares are expected to be admitted to trading on the ASX on 30 October 2012.

The first tranche of the Placement is being completed in accordance with shareholder approval received on 31 May 2012.

Existing directors of MRC will subscribe for up to A\$3.4 million in Shares on the same terms as those issued to third party sophisticated and professional investors under the Placement. The issue of Shares to directors of MRC will be subject to shareholder approval at a general meeting of shareholders anticipated to be in early December 2012.

The issue of approximately 9.9 million Shares pursuant to the Private Placement will occur immediately following the issue to existing directors of MRC.

MRC intends to use the net proceeds from the Capital Raising to immediately commence development of its Tormin Mineral Sands Project and to repay the existing short term funding facility. Further funding initiatives to ensure completion of development of the project, and commencement of production in the Second Quarter of 2013 are being advanced and the Company believes it will be able to ensure all appropriate funding will be secured.

COMMENTARY

Mark Caruso, Executive Chairman of MRC, commented: “The capital raising was extremely well supported. It allows the Company to immediately proceed with the development of the Tormin Mineral Sands Project and to further its strategy of becoming a significant mineral sands producer

Andrew Lashbrooke, CEO of MRC, commented: “The market reception of the capital raising reflects the continued appetite for high quality mineral sands assets, and justifies the Company’s efforts to bring this project into production”

FOR FURTHER INFORMATION PLEASE CONTACT:

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