



Mineral Commodities Ltd

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TORMIN DELIVERS FOR MINERAL COMMODITIES A US\$1.5 M FIRST HALF PROFIT

Marking the first six months since commissioning and ramp up of its Tormin Mineral Sands Project in South Africa, Mineral Commodities Limited (ASX:MRC) has delivered a first half net profit of US\$1.5 million and expects an improved second half performance.

Mineral Commodities reported revenue of \$12.6 million for the six months to 30 June 2014 and having secured recent offtake agreements has now commenced exporting garnets.

Ramp up reached name plate capacity towards the end of the half with 4,000 tonnes per month of non-magnetic zircon/rutile concentrate.

For the six months Tormin produced 20,387 tonnes of non-magnetic zircon/rutile concentrate, 45,227 tonnes of ilmenite concentrate and 103,480 tonnes of garnet concentrate.

Mineral Commodities Executive Chairman Mr Mark Caruso commented: "Despite production in the first three months of the year being impacted by issues during commissioning to the magnetic separation equipment, we have had a steady and assured start at Tormin and look forward to a stronger second half in terms of sales and financial metrics.

"We aim to sell/produce approximately 4000 tonnes a month of non-magnetic Zircon rutile concentrate and 120,000 tonnes of garnet concentrate for the remainder of this year and it is pleasing to report that optimisation studies have identified a potential 20-25% lift in nameplate processing through the existing secondary concentrate plant, including higher grade/value garnet concentrate production."

"Demand for the Company's non-magnetic concentrate remains strong in the Chinese Market due to the ceramic grade quality of the finished Zircon product. Average Zircon and Rutile prices remain stable and in line with current market reconnaissance which suggest some potential for a moderate lift in prices for the balance of calendar 2014.

Negotiations in respect of the Ilmenite produced at Tormin continued during the period. The Company has contracted to deliver 20,000 tonnes of Ilmenite concentrate to Tronox's Namaqua mineral sands processing facility located approximately 100kms away from Tormin. By the end of the period approximately 11,000 tonnes of Ilmenite concentrate had been delivered.

The company's first shipment of 33,000 tonnes of garnet concentrate occurred in August to the world's largest producer and global distributor of industrial garnet abrasives, GMA Garnet Group of Australia. Garnet is used in abrasive blasting and waterjet cutting applications, and is a by-product of the zircon/rutile/ilmenite production process at Tormin.

For every tonne of zircon concentrate, approximately five tonnes of garnet concentrate is produced. No additional mining or processing costs are incurred in the production of garnet.

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