



Mineral Commodities Ltd

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Company Announcements Platform
Australian Stock Exchange Limited

MRC Finalises Agreement to Acquire Simto

Mineral Commodities Ltd. (**ASX: MRC**) (**MRC** or the **Company**) is pleased to announce that, further to its announcement on 27 July 2011, it has entered into a formal Share Sale Agreement to acquire 100% of the issued capital of Simto Resources Limited (**Simto**) for a total consideration of A\$37.5 million (subject to the Company, in its discretion, receiving an independent expert's report confirming that the value is fair and reasonable). The agreement follows the signing of the Heads of Agreement announced on 27 July 2011 along with the acquisition of Cable Sands, to transform MRC into the second largest independent, vertically integrated and diversified Titanium and Zircon mineral sands producer in Australia.

The acquisition of Simto will expand MRC's resource base and extend the mine life of the Cable Sands operations in the south west of Western Australia. Moreover, Simto's tenements are in close proximity to the Bunbury MSP and the Cable Sands tenements (see map), making this a highly complementary addition to the acquisition of Cable Sands.

Simto owns 11 strategic, granted heavy mineral mining tenements, with total JORC compliant Measured, Indicated and Inferred Resources of 1.96 million tonnes of contained heavy minerals (see Resource Statement at the end of this Announcement), including Zircon (161K tonnes), Ilmenite (1,535K tonnes) and Rutile (32K tonnes)¹. In addition, pursuant to the 1990 Wonnerup Agreement between Simto and AMC Minerals Sands Ltd (now known as Iluka Midwest Limited (**Iluka Midwest**)), and a wholly owned subsidiary of Iluka Resources Limited (**Iluka**) Simto has a first right of refusal to acquire tenements currently held by Iluka and Iluka Midwest in the event that Iluka Midwest decides to surrender these tenements. These tenements are in the vicinity of those already owned by Simto. The area of the tenements that is the subject of the first right of refusal has been delineated on the below map as the "area of influence".

The total consideration of A\$37.5 million will be satisfied through the issue of MRC shares and up to \$500k in cash. The shares will be issued at the same price realised in the share placement to be conducted by MRC to fund the Cable Sands acquisition. The cash component represents a reimbursement of expenditure by Simto in developing its assets up to the settlement date. The final proportions to be paid in cash and MRC shares will be determined on the settlement date when the value of the tenement expenditure is known (as this is calculated up to the date of settlement).

The acquisition is conditional upon the receipt of all required shareholder approvals, settlement of the Cable Sands transaction and completion of due diligence by MRC.

Simto is currently owned directly and indirectly by MRC Directors Messrs Joseph Caruso and Mark Caruso and the acquisition by MRC is therefore a related party transaction. As such, MRC will require approval from non-associated Shareholders for the purposes of ASX Listing Rules 10.1 and 10.11 and Section 208 of the Corporations Act. The Company will disregard any votes cast by Joseph and Mark Caruso and any of their associates.

A Notice of Meeting seeking approval for this transaction will be despatched to shareholders shortly. The Notice of Meeting will include an independent expert's report prepared by Ernst & Young commenting on the fairness and reasonableness of the transaction to non-associated shareholders in accordance with the requirements of Listing Rule 10.1. The conclusions of the independent expert's report are expected within the next week at which point the Company will proceed to complete the placement in order to proceed with the Cable Sands acquisition.

Shareholders in General Meeting yesterday voted in favour on a number of resolutions in relation to the acquisition of Cable Sands and the associated capital raising.

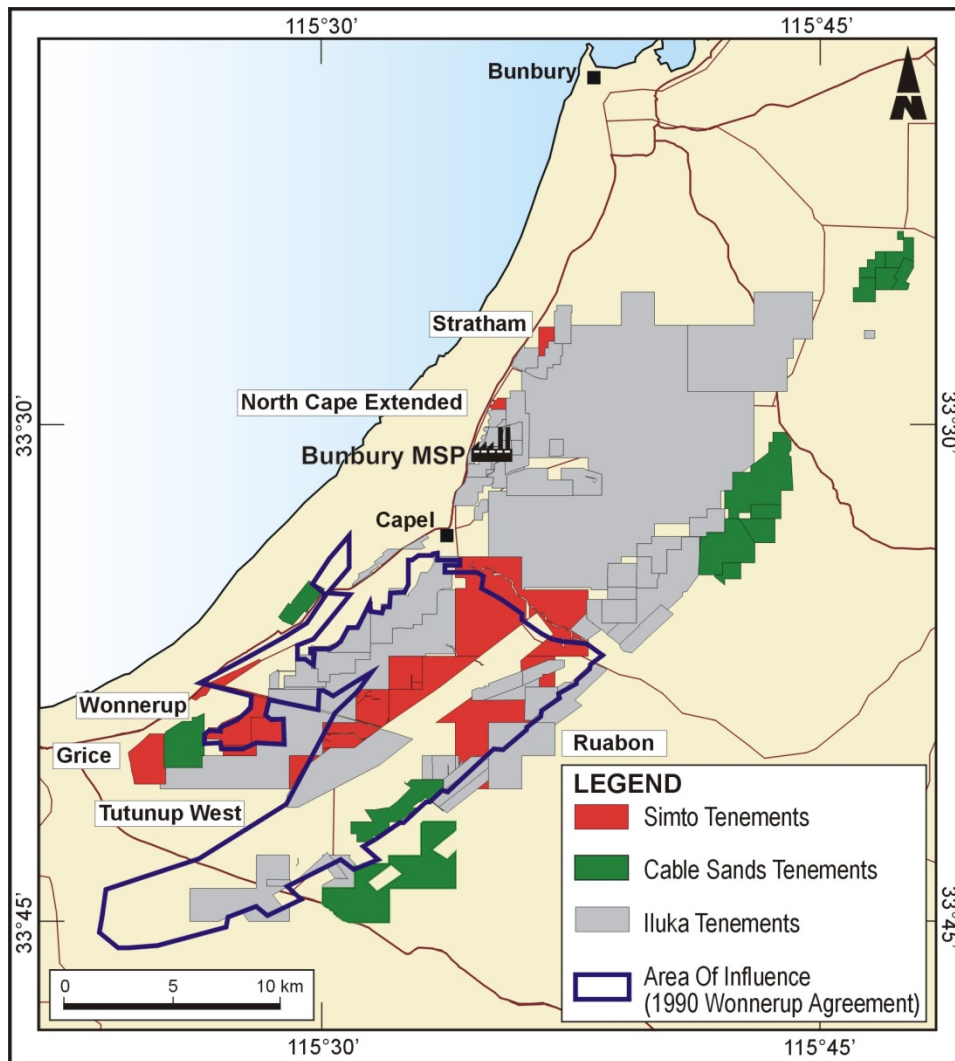
¹ These numbers differ slightly to the total resources in the release of 27 July 2011 following further review.

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Resource Statement

			Overall	Ilmenite	Mag Leuc	NM Leuc	Rutile	Zircon	TiO2
PROJECT	TID	Category	HM%	Tonnes	tonnes	tonnes	tonnes	Tonnes	tonnes
TUTUNUP WEST	M70/1108	Indicated	64.5	470,592	23,347	45,965	8,026	48,883	264,002
COOLUP	M70/0942	Indicated	78.8	269,102	8,538	21,515	19,466	26,637	150,966
GRICE	M70/0785	Indicated	78.7	169,079	5,156	13,535	1,504	17,617	95,361
NORTH CAPEL	M70/1117	Inferred	87.5	26,740	367	642	367	1,192	14,466
STRATHAM	M70/0792	Measured	87.4	48,726	948	1,840		2,453	26,994
STRATHAM	M70/0792	Indicated	87.6	8,672	188	297		475	4,805
WONNERUP	M70/0360 ¹	Indicated	71.8	179,443	11,996	26,741	1,999	17,744	106,948
WONNERUP	M70/0569	Inferred	63.4	49,395	4,830	12,076	701	5,999	30,180
Cookernup	R70/0010	Indicated	78.0	181,100	9,752	15,556		19,271	107,211
Cookernup	R70/0010	Inferred	73.3	108,008	8,546	10,462		15,766	67,289
Cookernup	R70/0011	Inferred	57.5	24,317	3,722	7,189		4,821	15,101
				1,535,173	77,389	155,817	32,062	160,859	883,323

The information in this announcement which relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences ("AIG"), a Corporate Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") and independent consultant to the Company. Mr Maynard is the Director and principal geologist of Al Maynard & Associates Pty Ltd and has over 30 years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard 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, Exploration Targets, Mineral Resources and Ore Reserves". (JORC Code). Mr Maynard consents to inclusion in the report of the matters based on this information in the form and context in which it appears.

¹ The transfer of M70/0360 to Simto Resources Limited has been lodged with the Department of Mines and Petroleum and recorded, and the transfer of M70/0360 is now pending registration. Upon registration Simto Resources Limited will be recorded as the registered holder of M70/0360.