



Mineral Commodities Ltd

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30 April 2009

Australian Stock Exchange
Company Announcements Office

QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDED 31 MARCH 2009

HIGHLIGHTS

- \$2 million received In January 2009 on settlement with Promet Engineers and Others.
- The Company has commenced procedures to appoint an engineering group to update the existing feasibility study on the Tormin Mineral Sands Project.
- Agreement with Africa Uranium for uranium exploration in Namibia subsequent to quarter end.

XOLOBENI PROJECT (SOUTH AFRICA)

Background

The Xolobeni Project is located in the Eastern Cape Province of South Africa approximately 300 kilometres north of East London and 200 kilometres south of Durban.

The Xolobeni Mineral Resource as estimated by SRK Consulting is 346 million tonnes of 5.0% heavy mineral, with 65% of this resource in the Measured category (Table 1). A Desktop Mining Study undertaken by SRK concluded that the Xolobeni Project is economically viable with a mine life of some 22 years, producing some 250,000 tonnes per annum (tpa) of ilmenite as well as 19,000 tpa of rutile, 15,000 tpa of zircon and 15,000 tpa of leucogene.

Area	Status	Tonnes (million)	% HM	% Ilmenite
Sikombe	Measured	85	5.5	3.1
Kwanyana	Measured	139	5.8	3.1
Mnyameni	Indicated	104	4.1	2.2
Mpahlane	Inferred	18	2.3	1.6
TOTAL		346	5.0	2.7

Table 1: Xolobeni Mineral Resource, 2003 at 1% Heavy Mineral Cut off Grade

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The Xolobeni Project is regarded as **one of the largest undeveloped mineral sands resources in the world containing in excess of 9,000,000 tonnes of ilmenite.**

Mining Right Application

In March 2007, Mineral Commodities Limited's ("MRC's") majority owned South African subsidiary Transworld Energy and Minerals Resources SA Pty Ltd ("TEM") lodged the Mining Right Application for the Xolobeni Project with the Department of Minerals and Energy ("DME").

On 4 August 2008 MRC announced that it had received notification from the DME that the Mining Right for the Kwanyana block within the Xolobeni Project area would be granted. The remaining blocks (Sikombe, Mnyameni and Mpahlane) would then be held under a Prospecting Right valid to 2010 which could be extended until applications are made to convert each block into a Mining Right.

The Kwanyana block represents approximately 30% of the mining area and contains around 46% of the total insitu ilmenite resource (Table 1).

However, in September 2008, the Company was advised that, on behalf of the AmaDiba Crisis Committee ("ACC") and its members, the Grahamstown office of the Legal Resources Centre filed a Notice of Appeal ("the Appeal") with the Minister of the DME. The ACC requested the Minister to suspend and then appeal the decision to grant the Mining Right.

MRC believes that due to the importance of the Xolobeni Project to the area, the Minister will continue to support the issuing of the Xolobeni Mining Right, however, the issue date has been deferred pending the outcome of the Appeal. The Company has therefore taken steps to minimize expenditure on the project pending a resolution of the Appeal.

TORMIN MINERAL SANDS PROJECT (SOUTH AFRICA)

Background

The Tormin Project is located on the west coast of South Africa, approximately 400km north of Cape Town. The main minerals of interest are zircon and rutile which are contained in a high grade beach placer deposit north of the Oliphants River outfall.

Previous studies have demonstrated that the Tormin Project can produce an enriched non-magnetic concentrate containing predominately zircon and rutile. Tenders have been called for the purpose of updating these existing studies. Assuming a positive outcome to this phase of the Project, the Company will then let a tender for the construction phase of the Project with scheduled production commencing by the end of calendar 2010.

Mining Right Application

As previously announced, the Mining Rights for the onshore areas were granted on 28th November 2008.

Since that time the Company has secured the offshore extension to the onshore deposit. This area is 12km long, and 1km wide from the low water mark out to sea representing 1280ha. The Prospecting Permit allows for the prospecting of zircon, ilmenite, garnet, leucoxene and rutile.

AFRICA URANIUM AGREEMENT

As announced on 27 April 2009, the Company has entered into an agreement with Africa Uranium Limited ("AUL") whereby MRC can earn up to a 50% equity interest in AUL by funding US\$7.0 million of exploration work. The agreement is subject to due diligence by MRC. MRC must spend a minimum of US\$1.0 million for which it will earn a 10% equity interest in AUL.

AUL's main exploration assets are located in Namibia and South Africa.

AUL's Namibian interests are located in the area east of Swakopmund in the same area as the Langer Heinrich mined operated by Paladin Energy and east of the Rossing uranium mine operated by Rio Tinto. Recent exploration work in the Swakopmund project has identified an area of potential uranium mineralisation. Follow up drilling is planned for the immediate future.

SIERRA LEONE DIAMOND OPERATIONS UPDATE

The \$2 million cash inflow arising from the settlement with Promet Engineers and Others was received in January 2009 thus concluding the legal action. The Company has since that time sought to minimise expenditure on the project.

PETRO VENTURES INTERNATIONAL LIMITED - INVESTMENT

Background

During the quarter the Company continued as a seed capital investor in Petro Ventures International Limited ("Petro Ventures") holding a 9.31% stake. Petro Ventures has secured three project areas in the UK Southern North Sea, offshore Romania and onshore Hungary. Petro Ventures' working interest in the projects is 5%, 20% and 10% respectively.

UNITED KINGDOM

West Breagh

During the quarter Sterling Resources (Operator) announced the successful testing of the Breagh well located on Block 42/13 in the UK Southern North Sea resulting in a significant increase in reserves and resources.

Petro Ventures holds a significant position in the **Greater Breagh Area** and in addition to Breagh, there are now 14 mapped prospects with the potential for significant gas volumes including five wells which have previously reported the presence of gas.

ROMANIA

New Operator Doina and Ana Blocks

During the quarter Sterling Resources announced a Farm-In Agreement with Melrose Resources Plc wherein on the Midia XV and Pelican XIII Blocks in the Black Sea Melrose will earn a 32.5% working interest. Melrose will also carry Sterling for a proportion of the future development costs ranging between US\$63m and US\$78m plus become the new operator of the development projects associated with the recently appraised Doina and Ana fields in the Midia XV Block.

The joint venture has agreed to proceed with field development covering both Ana and Doina Fields. Various studies are in progress in order to compile a Field Development Plan for sanction by the 2nd quarter of 2009.

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CORPORATE

Investment in Allied Gold Limited (ASX listed : ALD)

Allied Gold Limited (ALD) is a listed gold production and exploration company with the Tabar Islands Gold Project in Papua New Guinea as its principal asset. This comprises the Simberi Oxide Gold Project and exploration property on the Tabar Islands Group. ALD successfully commissioned its processing plant operation and poured its first gold in February 2008 and has continued to announce successful exploration results along with a recent Resource upgrade.

MRC is one of the largest shareholders in ALD and currently holds a direct interest in 3.77% (approximately 15.5 million shares) of ALD's issued fully paid ordinary shares.

The market value of MRC's shareholding at 31 March 2009 was \$7.13 million (previous quarter reported \$6.51 million).

Cash and Marketable Securities

At 31 March 2008, MRC had \$1.8 million in cash with a further \$7.1 million in marketable securities. In aggregate this represents 6.3cents per MRC share.

The Company is positioning itself to divest various small investments which should result in a positive return.

Securities on Issue

Issued securities at quarter-end comprise;

141,393,021 fully paid ordinary shares listed on the ASX

1,750,000 unlisted options exercisable at \$0.30 and 500,000 unlisted options exercisable at \$0.40 expiring 30 September 2009

Yours faithfully

Greg Steemson
Director

For enquiries in connection with this release please contact:

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Competent Persons

The information in this report that relates to Mineral Resources and Exploration Results for the Tormin Mineral Sands Project is based on information compiled by Greg Steemson who is a Fellow of the Australian Institute of Geoscientists. Greg 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 and Ore Reserves. Greg Steemson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources and Exploration Results of the Xolobeni Project is based on information compiled by Daniel Guibal (SRK Consulting) a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

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Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

MINERAL COMMODITIES LTD

ABN

39 008 478 653

Quarter ended

31 March 2009

Consolidated statement of cash flows

	Current quarter	Year to date (3months)
Cash flows related to operating activities	\$'000	\$'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration (b) development and evaluation (c) production (d) administration	(389)	(389)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	16	16
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (discontinued operations cost)	(138)	(138)
1.7.1 Other – Pro Met Settlement	2,000	2,000
1.7.2 Other – Costs on Pro Met Settlement	(94)	(94)
Net Operating Cash Flows	1,169	1,169
Cash flows related to investing activities		
1.8 Payment for purchases of (a) prospects (b) equity investments (c) investment in associate (d) fixed assets (e) Investments in controlled entities		
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Repayment of term deposits		
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	1,169	1,169

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Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	1,169	1,169
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings	(123)	(123)
1.18	Dividends paid		
1.19	Other		
	Net financing cash flows	(123)	(123)
Net increase (decrease) in cash held			
		1,046	1,046
1.20	Cash at beginning of quarter/year to date	797	797
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,843	1,843

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$'000
1.23	Aggregate amount of payments to the parties included in item 1.2	36
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

\$36,000 is directors' fees for non-executive directors.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$'000	Amount used \$'000
3.1 Loan facilities	N/A	N/A
3.2 Credit standby arrangements	N/A	N/A

Estimated cash outflows for next quarter

	\$'000
4.1 Exploration and evaluation	0
4.2 Development and Evaluation	500
Total	500

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$'000	Previous quarter \$'000
5.1 Cash on hand and at bank	1,843	797
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Bank Bill		
Total: cash at end of quarter (item 1.22)	1,843	797

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1		Interests in mining tenements relinquished, reduced or lapsed		
6.2		Interests in mining tenements acquired or increased		

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Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number Quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases – issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	141,393,021	141,393,021		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases - issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	Unlisted 1,750,000 500,000	-	<i>Exercise price</i> \$0.30 \$0.40	<i>Expiry date</i> 30/09/2009 30/09/2009
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures				
7.12 Unsecured notes				

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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



(Company Secretary)

Date: 30 April 2009

Print name:

Peter Torre

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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