RESULTS FOR ANNOUNCEMENT TO THE MARKET

This Preliminary Final Report is provided to the Australian Securities Exchange (ASX) under ASX Listing Rule 4.2A.3

Current Reporting Period:	Half-year ended 30 June 2020
Previous Corresponding Period:	Half-year ended 30 June 2019

For and on behalf of the Directors

PETER TORRE
COMPANY SECRETARY

Dated: 24 August 2020

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenue and Net Profit		**USD'000's**
Revenue from ordinary activities	down 43% to	17,307
Profit from ordinary activities after tax attributable to members	down 20% to	5,619
Net Profit for the period attributable to members	down 20% to	5,619

DIVIDENDS

No dividends have been paid or declared during the interim period. The Directors do not recommend the payment of a dividend in respect of the interim period.

COMMENTARY

The directors report accompanying this preliminary final report contains a review of operations and commentary on the results for the half year ended 30 June 2020.

NET TANGIBLE ASSET BACKING

	30 June 2020 US$'000's	30 June 2019 US$'000's
Net Assets	47,133	46,840
Less intangible assets	-	-
Net tangible assets of the Company	47,133	46,840
Fully paid ordinary shares on issue at Balance Date	455,091,571	421,191,571
Net tangible asset backing per issued ordinary share as at Balance Date	0.10	0.11

AUDIT DETAILS

The accompanying half yearly financial report has been reviewed. A signed copy of the review report is included in the financial report.

Mineral Commodities Ltd

ABN 39 008 478 653

Half-Year Financial Report
30 June 2020

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2019 and any public announcements made by Mineral Commodities Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act, 2001.

DIRECTOR'S REPORT

The Directors present their report on the Consolidated Entity ("the Group"), consisting of Mineral Commodities Ltd ("MRC" or "the Company") and the entities it controlled at the end of or during the half-year ended 30 June 2020. The consolidated financial statements are presented in United States Dollars ("$"), unless otherwise stated, which is the Company's presentation currency.

DIRECTORS

The following persons were Directors of the Company in office during the half-year, and up to the date of this report:

Mark Victor Caruso	Executive Chairman and Chief Executive Officer
Joseph Anthony Caruso	Non-Executive Director
Peter Patrick Torre	Non-Executive Director and Company Secretary
David Lewis Baker	Independent Non-Executive Director
Debbie Ntombela	Independent Non-Executive Director
Russell Gordon Tipper	Independent Non-Executive Director

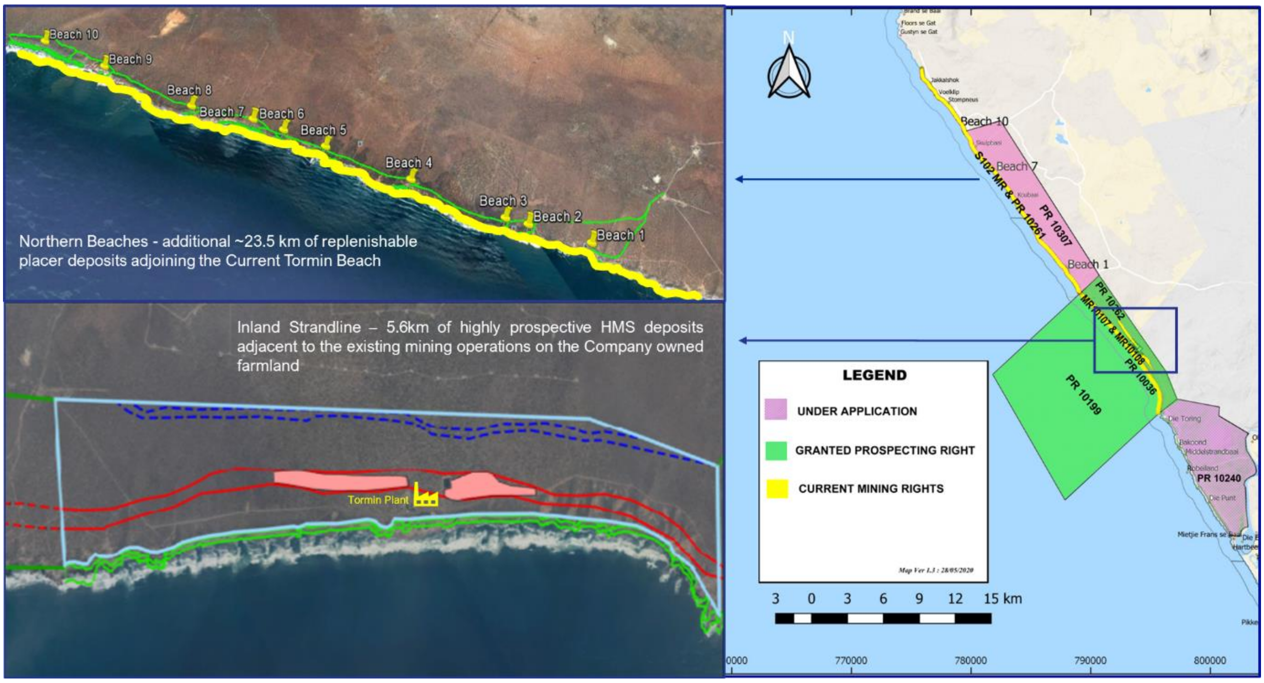
REVIEW OF OPERATIONS

The Company provides Shareholders with an update of the Company's activities during the half-year ended 30 June 2020. This half-year has proved significant for the Company in unlocking the material value of its Tormin, Skaland and Munglinup mining assets, delivering for shareholders its jurisdictional and commodity diversification three-mine strategy.

The Company continues to demonstrate its commitment to environmental sustainability. The recent acquisition of Skaland and its ongoing operations at Tormin will see it as one of the few future global mining companies running on complete renewable wind and hydro power electrical generation throughout its operations when the connection to the Siri wind farm near Tormin is completed. Given the Company's operating locations, it is pleasing to see that this half-year saw the three month rolling Total Recordable Injury Frequency Rate ("TRIFR") start and finish the half-year at nil..

The health and safety of its workers continues to be at the forefront of its operating practices. To this end, the Company and its people continue to excel at the key performance indicating metrics, which demonstrates an inherent culture of safety in the workplace.

The Company's 50% owned subsidiary, Mineral Sands Resources (Pty) Ltd ("MSR"), was granted approval on 30 June 2020 in respect to its Section 102 Mining Right application ("Section 102 Mining Right") to amend (expand) the footprint of mining at Tormin in the Western Cape province of South Africa. The Section 102 Mining Right allows access to the adjoining high-grade Northern Beaches and Inland Strand adjacent to the existing Tormin mining area on the MSR owned freehold farm, Geelwal Karoo 262, in the Western Cape province of South Africa.



This significant turning point in realising the value of the world-class Tormin Mineral Sands Operation provides access to two very exciting mining areas that are pivotal to the growth of the Company and demonstrate the huge potential of this unique Mineral Sands precinct. Access to the Northern Beaches has doubled the Company's placer beach mining area, allowing the Company to properly optimise and manage the ongoing replenishment rate of the existing Tormin and Northern Beaches resources. The Inland Strand offers significant long-term high-grade mineralisation, and an announcement of a JORC compliant maiden resource is expected in the second half of 2020.

Mining and processing operations will immediately shift to include the higher grade Northern Beaches with a recently released JORC resource of 2.5 million tonnes at 23.5% Total Heavy Minerals ("THM"). The Section 102 Mining Right also provides approvals for the connection to grid energy and processing expansion that will materially improve throughput and the transition to higher-value finished ilmenite, garnet and rutile products as well as lower operating costs.

The integration and turnaround of the Skaland Graphite Operation continued in the first half of 2020. A key initiative was to lift the safety performance and implementation of appropriate systems and procedures in line with group operating standards. The Company continued to mobilise further technical personnel including the appointment of a new General Manager and Mining Superintendent with international experience in underground mining. There was a significant investment in new equipment and operational improvements in mining, and several processing engineering studies were commenced to optimise the upgrading of Total Graphitic Carbon ("TGC") fines production, as well as recovering higher-grade coarse flake product. These are precursors to the Company's downstream anode business development strategy. Comprehensive baseline studies and planning work continued for the completion of future down dip mine development, which will access higher grade and coarser grade Run of Mine ("ROM") ore.

On 12 March 2020, MRC announced the maiden JORC resource at the Skaland Graphite Operation for the underground Traelen Graphite Mine, estimated at 1.78 million tonnes at 22% TGC in indicated and inferred categories for 397kt of contained graphite at a 10% cut-off. This JORC 2012 compliant resource is the foundation of the Company's plans to build on its existing graphite concentrate business and also underwrites its strategy to become Europe's first vertically integrated producer of natural graphite anode material.

MRC released the Munglinup Graphite Project Definitive Feasibility Study ("DFS") on 8 January 2020. The DFS demonstrated robust economic outcomes of a concentrate-only production scenario and confirmed the Company's view that Munglinup will become a crucial asset in its overall strategy to manufacture and supply natural graphite battery anode material to meet the fast-growing demand in the lithium-ion battery sector.

The DFS of the Munglinup Graphite Project and Skaland's maiden JORC compliant mineral resource estimate further enhance the Company's ambitions to build a global, vertically integrated carbon business based on two global strategic operating production centres in the Tier 1 mining jurisdictions of Australia and Norway. These operations will produce sustainable natural graphite concentrate as a crucial raw material for the production of precursor and active anode materials by the Company.

The Company has advanced its anode purification research and development and will deliver a Pre-Feasibility Study ("PFS") in August that incorporates integrated mine gate to finished anode battery material. This will form the foundation of the Company's intentions to become one of the largest natural graphite anode producers in Norway and Europe. This strategy will underpin the integrated future development of Munglinup and establish the Company as a critical supplier of natural graphite anode outside of China.

Tormin Mineral Sands Operation

Safety, Environment and Community

The ongoing commitment to developing a safe working environment and culture continues. Encouragingly, this half-year saw the three month rolling TRIFR start and finish the half-year at nil. Significantly, since the commencement of operations in late 2013, the Company has incurred only one Lost Time Injury ("LTI"), in April 2017. The Company achieved a further milestone during the half-year by working over 1.5 million man hours since this LTI incident. More than 3.2 million man hours have been worked at the Tormin site since its commencement. The Company has achieved a TRIFR of nil as at 30 June 2020.

The Company continues to implement its Social Labor Plan commitments. During the half-year, the Company spent in excess of ZAR4.8 million. Initiatives within the local Tormin community and workplace included bursaries, scholarships, traineeships, internships, apprenticeships and adult basic education programs. The Company's learnership programs have seen participants advance their careers through education in engineering and business management courses. Bursaries support Tormin staff and community participants in furthering their education with courses such as IT engineering, mechanical engineering, safety management, business management, law, mathematics and community development.

The Company also supports community-based enterprise and infrastructure support development, sponsoring of full-time teachers at local schools, distribution of food parcels with non-perishable foodstuffs delivered to elderly persons across the eight wards of the Matzikama municipal region and sponsorships in the form of attire, equipment and transport to local sporting clubs.

The Company is committed to local enterprise development and the funding of Small, Medium Micro Enterprise development programs, however the impact of the COVID-19 pandemic has meant these projects have largely been deferred to the second half of 2020.

The Company has submitted and received approval for its future 2019-2023 Social Labour Plan from the Department of Mineral Resources and Energy, which underpins the Company's future commitment to local enterprise development, education and infrastructure projects and initiatives. The total committed expenditure over five years is ZAR36.8 million.

REVIEW OF OPERATIONS (CONTINUED)

Tormin Mineral Sands Operation (continued)

Tormin Operational and Financial Performance

In the context of a global interruption caused by COVID-19, the Company delivered solid operating performance during the first half of 2020. The following key production and sales metrics were achieved:

Mining Production	Half-Year to 30 June 2020	Half-Year to 30 June 2019
Tonnes (dmt)	1,225,966	1,344,414
Grade	7.22%	11.58%
Garnet	5.57%	7.35%
Ilmenite	1.15%	1.76%
Zircon	0.32%	0.39%
Rutile	0.11%	0.24%
Leucoxene	0.07%	1.84%

Mining and processing operations at the Tormin Mineral Sands Operation continue to be optimised to manage the current ROM THM beach grade and replenishment cycle. Mining and processing production has been scheduled to an annualised rate of 2.5 Million Tonnes Per Annum ("MTPA").

ROM mining production is 8.8% below the previous half-year, due to the 18 day shutdown in South Africa during the half-year attributable to the COVID-19 pandemic. ROM volumes for the half-year have been adjusted and scheduled to be synchronised with Primary Beach Concentrators' ("PBCs'") feed throughput requirements. The addition of high grade production from the Northern Beaches and Inland Strand is expected to significantly lift grades in the second half of 2020.

Processing and Production	Half-Year to 30 June 2020	Half-Year to 30 June 2019
Primary Beach Concentrator		
Tonnes processed (dmt)	1,171,548	1,270,312
Heavy mineral concentrate (dmt)	246,072	305,544
% Heavy mineral	25.26%	38.00%
Garnet Stripping Plant/Secondary Concentrator Plant		
Tonnes processed (dmt)	232,231	323,670
Tonnes produced (dmt)		
Garnet concentrate (net)	63,686	95,226
Ilmenite concentrate (net)	15,675	29,256
Zircon/Rutile concentrate	3,457	5,468
% Zircon in concentrate	67.69%	67.59%
% Rutile in concentrate	16.10%	15.78%

ROM feed to the PBCs for the half-year was 1,171,548 tonnes at an average feed rate of 336tph at 94.23% plant utilisation, with the throughput 7.8% below the previous half-year's 1,270,312 feed tonnes, again due to the 18 day shutdown in South Africa during the half-year attributable to the COVID-19 pandemic.

HMC production from the PBCs produced 246,072 tonnes, compared to the prior half-year's 305,544 tonnes, due to lower mining grades and 18 day shutdown in South Africa during the half-year attributable to the COVID-19 pandemic. Mineral processing recoveries from the PBCs remained strong for zircon, ilmenite and garnet.

REVIEW OF OPERATIONS (CONTINUED)

Tormin Mineral Sands Operation (continued)

Garnet Stripping Plant/Secondary Concentration Plant ("GSP/SCP") feed of 232,231 tonnes was below the prior half-year's 323,670 tonnes but reflects full utilisation of available Heavy Mineral Concentrates ("HMC") feedstocks. The GSP/SCP operated at 85% utilisation with an infeed throughput rate of 83 tonnes per hour to optimise product recoveries.

Finished concentrate production was impacted by expected lower mined THM ore grades and reduced GSP/SCP feed. Total final concentrates produced were 82,818 tonnes for the half-year, which were below the prior half-year's 129,950 tonnes.

Sales (wmt)	Half-Year to 30 June 2020	Half-Year to 30 June 2019
Zircon/Rutile concentrate	3,892	6,076
Ilmenite concentrate	-	108,385
Garnet concentrate	106,575	106,576

Product sales revenue at Tormin for the half-year was US$12.3 million for a total 110,467 wet metric tonnes sold, below the prior half-year's revenue of US$29.7 million for 221,037 wet metric tonnes sold. Lower sales revenue reflects deferral of ilmenite bulk shipments as a result of the COVID-19 pandemic. Lower non-magnetic concentrate sales during the half-year reflect lower production due to a decline in mining grade.

The 106,575 tonnes delivered to garnet stockpiles to meet the minimum contracted quantity of 210,000tpa under the Company's Life of Mine Garnet Offtake Agreement with GMA Group has not been paid for to date due to disputes with GMA Group. The relevant sales revenue amount of US$9.2 million owing by GMA Group is included in receivables as at 30 June 2020.

The dispute pertains to stockpiled inventory quantities which are, and have been, independently verified under the Agreement since its inception. Despite MRC's best endeavours to reach a resolution, both parties have reverted to a formal Dispute Resolution Process that is provided for within the Offtake Agreement. The Dispute Resolution Process provides inter alia for the appointment of an Independent Expert, whose determination decision will be binding on the parties.

Subsequent to half-year end, the Company received a Termination Notice from GMA Group for alleged material breaches of the Offtake Agreement. The Company continues to seek advice on this matter. The Company has now notified GMA Group that inter alia GMA Group's refusal to continue to be bound by the terms of the Offtake Agreement constitutes a repudiation of the Offtake Agreement and the Company has terminated the Offtake Agreement in its own right. The Company has otherwise reserved all of its rights.

Notwithstanding the termination and repudiation of the contract the Company is entitled to and will continue engage in the contractual dispute resolution processes that apply to the current matters.

As at the date of this Report, GMA has not paid for any Delivered Product in 2020.

REVIEW OF OPERATIONS (CONTINUED)

Tormin Mineral Sands Operation (continued)

The following table summarises Tormin's unit costs and revenues for the half-year to 30 June 2020:

Summary of Unit Costs & Revenues	Half-year to 30 June 2020	Half-year to 30 June 2019
Unit production cash costs per tonne of net final concentrate produced ($/dmt)	**91.20**	83.75
Unit cost of goods sold per tonne of final concentrate sold ($/wmt) (1)	**29.44**	90.05
Unit revenue per tonne of final concentrate sold ($/wmt)	**111.81**	133.72
Revenue to Cost of Goods Sold Ratio	**3.80**	1.49

(1) Cost of goods sold includes production cash costs, product handling, transport and selling costs, royalties, stock movements, and depreciation and amortisation. Excludes corporate and financing costs.

Unit production cash costs were impacted by the change in mined tonnes and grades, with the half-year's US$91.20/t for 82,818 final concentrate tonnes produced higher than the prior period's US$83.75/t for 129,950 final concentrate tonnes produced. Higher unit costs were the direct result of 36.3% lower production in the current half-year, partially offset by production cash costs that were 30.7% below the prior period. Lower production cash costs in the half-year reflect a 17.5% depreciation of the rand, lowering US equivalent operating costs, lower diesel prices and lower mobile fleet activity due to the 18 day shutdown in South Africa during the half-year, attributable to the COVID-19 pandemic.

Total unit cost of goods sold of US$29.44/t for the half-year for 110,467 final concentrate tonnes sold improved on the prior half-year's US$90.05/t for 221,037 final concentrate tonnes sold.

Total unit cost of goods sold for the half-year of US$29.44/t was due to a material positive garnet inventory adjustment during the half-year. The adjustment came as a result of a detailed survey of garnet inventory, arising from a requirement under the dispute resolution process with the GMA Group. The main mechanisms for calculating inventory as agreed by the parties was via independent survey, with final reconciliation at the end of the contract. The large quantity of production of ~1.9 million tonnes of garnet concentrate produced under the GMA contract since its inception in 2014 and delays in GMA's contracted shipping schedules has caused a large inventory build-up of stockpiles to contracted limits. This has impacted the Company's ability to survey stockpile basement levels and compounded inventory variances. As a result of the independent garnet inventory survey during the current half-year, the Company was able to identify 156kt of additional inventory tonnes in comparison to the 31 December 2019 survey. The main contributing factors were settlement of the stockpile areas and production during the period. This increase in garnet inventory previously expensed through the income statement has been reversed back to the balance sheet as a one-off adjustment, resulting in a significant reduction in cost of goods sold balance for the half-year. Without adjustment, unit cost of goods sold per tonne of final concentrate sold would have been US$69.90/t. This is lower than the previous half-year (US$69.90/t vs US$90.05/t) due to the lower adjusted cost of goods sold from 139,772 tonnes transported to Saldanha and shipped in 2019 (nil tonnes shipped in 2020), the higher rand and diesel prices in 2019, partially offset by higher total concentrate sold in 2019 (222,056 tonnes in 2019, 110,787 tonnes in 2020).

Unit revenue per tonne of final concentrate sold for the half-year of US$111.81/t is below US$133.72/t for the previous half-year due to a 35.9% decrease in higher value non-mags sales in 2020, compared to the prior half-year.

Revenue to Cost of Goods Sold Ratio for the half-year is 3.80 due to the material positive garnet inventory adjustment during the half-year, as explained above. Without adjustment, the unit revenue to cost of goods sold ratio would have been 1.60, which is above the prior half-year of 1.49.

REVIEW OF OPERATIONS (CONTINUED)

Tormin Mineral Sands Operation (continued)

Permitting

In January 2020, MSR was pleased to register granted Prospecting Rights over the Northern Beaches and Inland Strand Section 102 application areas. The prospecting rights allow the Company to commence crucial resource definition drilling programs at the beaches directly north of and on the Inland Strand adjacent to the existing Tormin Mineral Sands Operation. The approved Section 102 Mining Right area is within the granted Prospecting Rights area that has been granted.

The Company's 50% owned subsidiary, Mineral Sands Resources (Pty) Ltd ("MSR"), was granted approvals on 30 June 2020 in respect to its Section 102 Mining Right to amend (expand) the footprint of mining at Tormin in the Western Cape province of South Africa. The Section 102 Mining Right allows access to the adjoining high-grade Northern Beaches and Inland Strand adjacent to the existing Tormin mining area on the MSR owned freehold farm, Geelwal Karoo 262, in the Western Cape province of South Africa.

Contemporaneously, the Section 102 Mining Right also provides for expanded processing activities. With the security of resources and tenure, the Company can methodically expand both the Primary Concentration capacity to enable up to 4mtpa and can move from existing concentrate only production of ~300,000tpa to vertically integrated production of finished HM products through the construction of a 350,000tpa Mineral Separation Plant ("MSP"). Through the construction of an MSP, the Company expects to open new markets and diversify its customer base, reducing reliance on sales to China and extracting greater value through improved margins. The Section 102 Mining Right also allows for the connection of Eskom grid power by the Sere Wind Farm, which is expected to reduce operating power costs by as much as 50% and provide up to 10 megawatts of power for future downstream processing requirements.

Mining operations are to immediately shift to include the higher grade Northern Beaches, where a high grade JORC compliant resource of 2.5 million tonnes at 23.5% THM in the Measured, Indicated and Inferred categories using a 2% cut-off was reported in May 2020. Due to the constant replenishment profile of the current beaches ("Current Beaches"), the Current Beaches have generated in excess of 12.9Mt of mining production over the past six years from the initial Indicated Resource of 2.7Mt @ 49.4% THM. The Company expects that the Northern Beaches will sustain mining operations well beyond the initial resource of 2.5Mt @ 23.5% THM.

The Northern Beaches incorporate ten beaches directly north of and adjoining the Current Beaches at Tormin. The areas unite semi-continuous tenements approximately 23.5km in length, covering an area of 398 hectares of beach sands prospective for zircon, rutile, ilmenite, garnet, leucoxene and magnetite. Like the Current Beaches, this deposit is an HMS deposit located on an active placer beach strandline undergoing continuous erosion, deposition and replenishment from oceanic storm and wave activity. The heavy minerals in the beach are constantly replenished by the transport of new sediment from deeper waters, much of which has been derived from the erosion of deposits accumulated in the elevated historic beach terraces onto the present beach.

Project engineering and planning are already completed to bring the Northern Beaches into production, with mining operations already commenced.

Tormin Mineral Sands Operation (continued)

The Inland Strand areas granted under the Section 102 Mining Right include two areas approximately 5.6km in total length, covering 75 hectares of high-grade mineralisation adjacent to the existing mining operations on the MSR owned farm Geelwal Karoo 262.

In February 2020, the Company commenced a 7,000m resource definition drilling program targeting the Inland Strand and adjoining Northern Beaches. This drilling program for the Northern Beaches was completed in mid-May and at the Inland Strand in early June. Drilling has confirmed the Western Strandline mineralisation is open along a continuous strike of 5,500m, 200m wide and up to 23m thick. A JORC compliant resource is expected to be released in the September quarter, 2020.

Current resource drilling results for the Inland Strand are outlined in ASX releases on 7 April 2020 (High Grade Results and New Discovery at Tormin) and 7 July 2020 (High Grade Mineralisation Continues at Tormin Inland Strand). The high grade THM mineralisation and mineral assemblage observed in the laboratory assays of the drilling on the Inland Strand confirm the historical resource grades and are similar to the grades encountered in the first years of mining the high grade Tormin Beach areas. The reported THM contains high constituent zircon, rutile, ilmenite, garnet assemblage as well as anatase and magnetite.

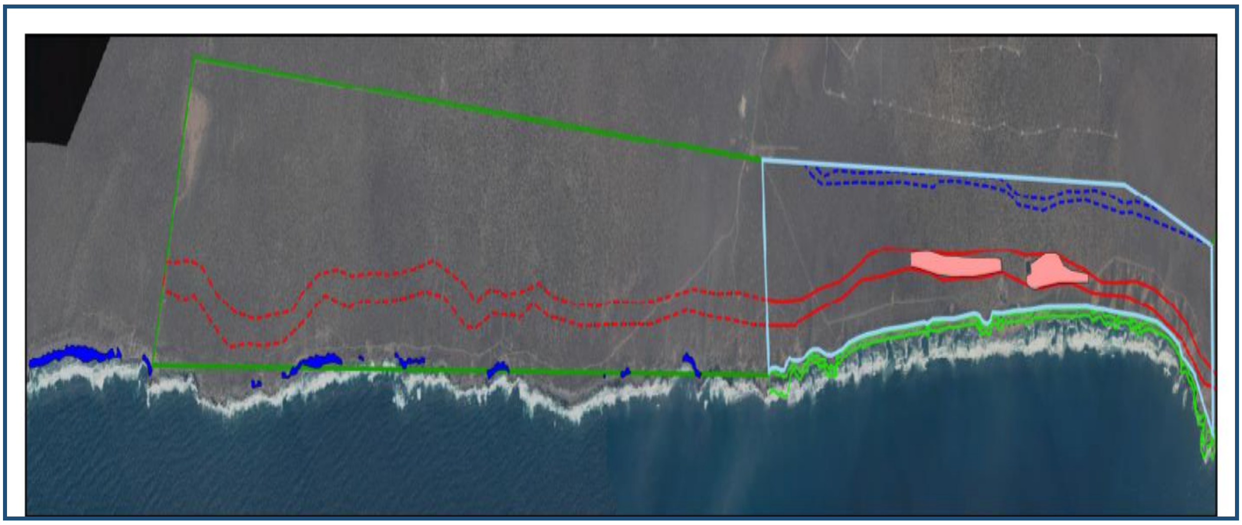
The Company intends to adopt a phased development program by initially targeting the high grade Strandline horizons in the orebody before processing the lesser grade Red Aeolian and Orange Feldspathic sands.

A new frontend feed system, including a crushing circuit, will be constructed as well as additional classification, concentration and thickener circuits. These frontend and additional upgrades will enable increased overall processing capacity from the current ~2.5Mtpa to up to 4Mtpa.

Detailed testwork and engineering work have already commenced on the planned frontend upgrades with the Company anticipating 4Mtpa throughput capacity by 2022.

For further details of the Section 102 Mining Right Approval, refer to the Company's ASX Release - MRC Granted Approvals to Expand Mining and Processing at Tormin - 2 July 2020. These upgrades represent expected capacity only and does not represent actual production guidance. Specific annual production guidance will be provided on a quarter and annual basis.

The Inland Strand Section 102 Mining Right areas are part of the Inland Strand Prospecting Right 10262, which incorporates an area approximately 12km in length, covering 1,741 hectares. Extensional drilling beyond the Section 102 Mining Right mining area boundary indicates that the Western Strandline extends from the northern to the southern boundary of the 12km prospecting area, confirming and demonstrating the exciting prospectivity of the Western Strandline. The Company will be stepping up its efforts to target additional resources that will further underpin the growth of its newly granted mining operations at the Inland Strand at Tormin.



For further details of the prospectivity of the wider Inland Strand prospecting area, refer to the Company's ASX Release – High Grade Mineralisation Continues at Tormin Inland Strand – 7 July 2020.

A 10,000 metre Step-Out and Infill Resource drilling program for the Western and Eastern Strandlines and an aeromagnetic survey over the De Punt and Klipvley Karoo Kop prospecting application are planned.

Tormin Resource and Prospecting Activities

The Company provided its current Tormin Annual Resource Update to the market on 28 February 2020, recognising a resource of 2.4 million tonnes at 8.68% total heavy mineral concentrate, based on a 2% heavy mineral cut-off grade. The Tormin beach deposit is an active placer beach sand deposit limited in extent on its eastern side by coastal cliffs and to depth by bedrock contact. The resource is open towards the ocean and surf zone on its western side, as well as along the coastline towards the north and south.

Due to the unstable nature of the resource, the deposit was again classified into the Inferred Resource category. The inferred mineral resource was estimated based on limited geological evidence and sampling, as well as six years of experience in mining the deposit.

Tormin Mineral Sands Operation (continued)

The annual Tormin Mineral Resource review was completed in February 2020, with results as follows:

Category	Resource Million Tonnes	Total Heavy Mineral[1] (% in Resource)	Ilmenite (% in HM)	Zircon (% in HM)	Rutile (% in HM)	Garnet (% in HM)
Indicated Resource – Dec 2013	**2.70**	**49.40%**	**21.46%**	**6.88%**	**1.42%**	**51.21%**
Tonnes Mined – FY2014	1.07	53.83%	32.06%	8.84%	1.21%	57.89%
Inferred Resource – Dec 2014	**2.70**	**38.14%**	**26.35%**	**5.79%**	**1.21%**	**66.12%**
Tonnes Mined – FY2015	1.62	49.57%	32.58%	7.83%	1.21%	58.38%
Inferred Resource – Dec 2015	**2.70**	**28.01%**	**24.88%**	**5.57%**	**1.96%**	**66.19%**
Tonnes Mined – FY2016	1.81	45.97%	28.21%	6.05%	1.33%	63.54%
Inferred Resource – Dec 2016	**1.80**	**28.08%**	**21.90%**	**5.88%**	**1.89%**	**67.63%**
Tonnes Mined – FY2017	2.05	27.57%	21.07%	3.99%	1.81%	70.37%
Inferred Resource – Dec 2017	**1.80** [2]	**15.92%**	**17.09%**	**4.96%**	**2.70%**	**71.72%**
Tonnes Mined – FY2018	2.65	17.35%	18.10%	3.17%	2.19%	72.33%
Inferred Resource – Dec 2018	**2.27** [2]	**14.16%**	**16.24%**	**3.03%**	**1.34%**	**55.79%**
Tonnes Mined – FY2019	2.51	11.21%	16.14%	3.74%	1.87%	67.17%
Inferred Resource – Dec 2019	**2.40**[3]	**8.68%**	**11.86%**	**2.88%**	**1.15%**	**77.18%**
Tonnes Mined – March Qtr 2020	0.62	7.68%	20.31%	4.56%	1.69%	72.53%
Tonnes Mined – June Qtr 2020	0.60	6.77%	11.37%	4.43%	1.48%	82.27%
Tonnes Mined – HY 2020	**1.22**	**7.20%**	**15.97%**	**4.44%**	**1.53%**	**77.36%**

(1) Includes other valuable heavy minerals e.g. leucoxene and magnetite
(2) 5% Heavy Mineral ("HM") cut-off grade used
(3) 2% Heavy Mineral ("HM") cut-off grade used

Since commencement of operations at Tormin, the Company has mined in excess of 12.9 million tonnes. The tonnage mined is more than the original declared resource tonnage (2.7 million tonnes), which is indicative of the significant replenishment nature of the deposit where resource blocks are mined more than once per year.

Resource replenishment of the Current Beaches continues but at a rate slower than the mining rate. The Company is therefore unable to report a replenishment grade or quantity under the JORC Code (2012), however grade reconciliation and sample grading continues on a daily basis to correlate the reported Mineral Resource and actual resource in terms of quantity, grade and replenishment.

The Company is confident that the development of the additional identified Inland Strand and Northern Beaches will allow the current active Tormin beach mining area to satisfactorily replenish in the future.

REVIEW OF OPERATIONS (CONTINUED)

Tormin Mineral Sands Operation (continued)

On 19 May 2020, the Company announced its maiden high-grade resource at Tormin's Northern Beaches of 2.5 million tonnes at 23.5% THM in the category of Measured, Indicated and Inferred using a 2% cut-off. The resource is based on drilling from only three (Beaches 5, 7 and 10) of the ten placer deposit style Northern Beaches adjoining the existing Tormin mine.

Total Mineral Resources for the Northern Beaches HM Deposit (2% cut-off grade)

Category	Tonnes (t)	THM (%)	Zircon (%HM)	Garnet (%HM)	Ilmenite (%HM)	Rutile (%HM)	Anatase (%HM)	Magnetite (%HM)
Measured	1,776,000	24.01	3.29	51.60	9.28	1.05	0.20	0.45
Indicated	680,000	22.16	5.09	44.94	8.25	0.94	0.18	0.81
Inferred	50,000	27.50	4.69	25.52	5.05	0.58	0.10	0.54
Total	**2,507,000**	**23.58**	**3.77**	**49.27**	**8.90**	**1.06**	**0.16**	**0.55**

The Mineral Resource table above demonstrates the high-grade nature of the deposit, with over 70% of the total resource reporting in the category of Measured at 24% THM. The Measured Resource categorisation is also higher than any of the historical resource estimates at Tormin, which have only ever been reported as high as Indicated.

This represents yet another important milestone for the Company. The delivery of a maiden JORC resource at the Northern Beaches effectively doubles the beach resource tonnes of this very high grade placer style beach system and its unique historical replenishment characteristics.

Skaland Graphite Operation

Safety, Environment and Community

MRC took control of the operation in October 2019, and no LTIs or medically treated cases have occurred at the operation during the half-year. Safety systems improvement initiatives have commenced, including standardised safety performance reporting for the mining and processing operations. Since acquisition in October 2019, the Company has worked 48,383 man hours with no LTI or recordable incidents. The Company has achieved a TRIFR of nil as at 30 June 2020.

Skaland Operational and Financial Performance

The Company focused on operational efficiencies at the Traelen mine and maintained production under COVID-19 restrictions in Norway and indeed across the European continent. The following key production and sales metrics have been achieved during the half-year:

Mining	Quarter ended 30-Jun-2020	Quarter ended 31-Mar-2020	Year to Date 30-Jun-20
Tonnes Mined	8,099	11,886	19,985
Waste Mined	612	5,992	6,604
Ore Mined	7,487	5,894	13,381
Ore Grade (%C)	28	28	28
Development Metres	96	95	191

Ore mined tonnes for the half-year were below historical performance with operations returning to normal after the significant focus on development mining in January, to offset a shortfall in development rates in the previous year. New equipment, including the new jumbo drill and road haul truck, were procured and have performed well during the half-year.

REVIEW OF OPERATIONS (CONTINUED)

Skaland Graphite Operation (continued)

A planned process plant maintenance shutdown occurred in January, to allow mining development and ore supply to regain synchronisation with ore demand from the plant, explaining the high waste mined tonnes in the half-year.

Ore mined during the half-year has ensured sufficient ROM feed to the processing plant to meet budget expectations. ROM feed to the processing plant for the half-year was 13,744 tonnes.

Graphite concentrate production of 4,010t was in line with the half-yearly budget of 4,229t. The plant treated 13,744t of ore, grading 28%C, relative to a 14,969t budget.

Processing	Quarter ended 30-Jun-2020	Quarter ended 31-Mar-2020	Year to Date 30-Jun-20
Ore Processed (t)	8,086	5,658	13,744
Throughput (tph)	7	6	7
Ore Grade (%C)	28	28	28
C Recovery (%)	94	94	94
Concentrate Grade (%)	89	90	89
Concentrate Produced (t)	2,354	1,656	4,010

Half-yearly graphite concentrate sales of 6,511t are above historical performance as Management seeks to reduce the significant inventory acquired, partially offset by the impact of the COVID-19 pandemic on customers. Optimisation initiatives to increase the proportion of coarse flake in concentrate and improve the grade of the finer fractions in concentrate have had a substantive effect in increasing the coarse/medium fraction to 43% in Q2, compared to 38% in Q1.

	30-Jun-20 Quarter		31-Mar-20 Quarter		30-Jun-20 Year to Date	
Product (wmt)	Sales	PSD %	Sales	PSD %	Sales	PSD %
Coarse/Medium	1,200	43%	1,264	34%	2,464	38%
Fine-Medium/Powder	1,575	57%	2,472	66%	4,047	62%
Total	2,775		3,736		6,511	

Sales revenue for the half-year was US$3.6 million for a total of 6,511 tonnes sold. The following table summarises Skaland's unit costs and revenues for the half-year to 30 June 2020:

Summary of Unit Costs & Revenues	30-Jun-20 Quarter	31-Mar-20 Quarter	30-Jun-20 Year to Date
Unit production cash costs per tonne of net final concentrate produced (US$/dmt)	405.02	771.37	564.53
Unit cost of goods sold per tonne of final concentrate sold (US$/wmt) (1)	436.52	558.41	506.51
Unit revenue per tonne of final concentrate sold (US$/wmt)	546.41	544.80	545.49

Note (1) – Cost of goods sold includes production cash costs, product handling, transport and selling costs, royalties, stock movements and depreciation and amortisation. Excludes corporate and financing costs.

Skaland Graphite Operation (continued)

Unit production costs during the half-year are artificially high due to the plant shutdown in January and additional maintenance costs associated with the January shutdown to focus on mine development and improve future ore supply. Unit costs in the June 2020 quarter reflect a more sustaining cost pattern.

Unit revenue per tonne of final concentrate sold for the half-year is US$545.49. The Company continued to see demand for its Skaland graphite concentrate, which is sold directly into the European market, with sales remaining strong given the current global COVID-19 pandemic.

Permitting

An Operations Plan for the Traelen mine is under development and is to be submitted to the regulator in the September quarter 2020 as a condition of Skaland's Mining Permit.

In March, the Company announced the maiden JORC resource at the Skaland Graphite Project for the underground Trælen Graphite Mine located on the island of Senja, Norway.

The Mineral Resource has been prepared in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, ("JORC Code (2012)") and is estimated at 1.78 million tonnes at 22% TGC in the category of indicated and inferred for 397Kt of contained graphite using a 10% cut-off.

Total Mineral Resources for the Trælen Graphite Deposit (10% cut-off grade)

Classification	Tonnes kt	Total Graphitic Carbon (TGC)	Tonnes Contained Graphite kt
Indicated	409	26%	106
Inferred	1,376	21%	291
Total[1]	**1,785**	**22%**	**397**

Mineral Resource estimated at a 10% TGC cut-off

This maiden JORC resource at Skaland, the highest grade resource for any operating graphite mine in the world, will not only become the foundation of the Company's plans to build on its existing graphite concentrate business but also underwrites the strategy to become Europe's first vertically integrated producer of natural graphite anode material.

In July 2020, the Company also announced that it has entered into a landowner agreement to explore the south of Bukken Graphite Prospect, on the island of Senja, Norway. The tenement is located approximately 20km east of MRC's existing Skaland Graphite Operation. The agreement will provide MRC with exclusive exploration rights for 10 years.

Skaland Graphite Operation (continued)

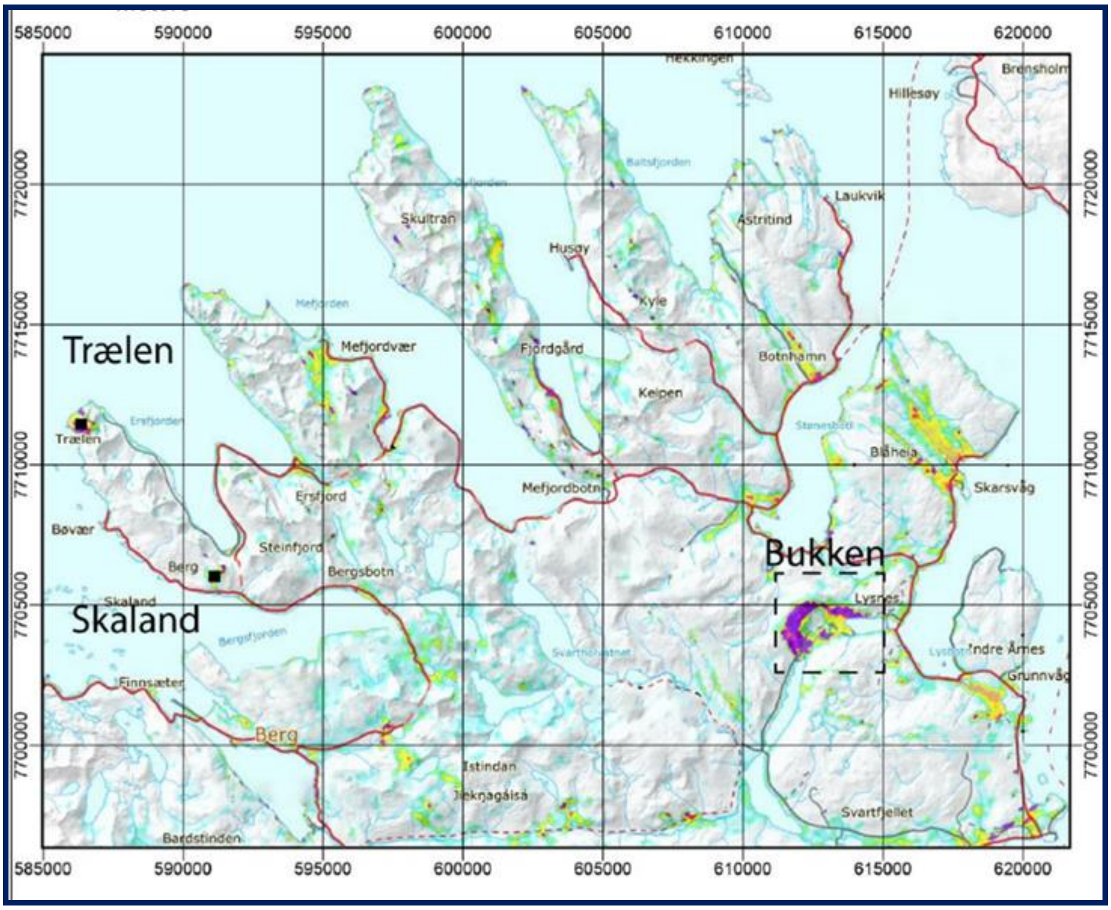


Figure 1: Graphite occurrences in northern Senja, underlaid by apparent resistivity (modified after NGU, 2019)

This landowner agreement provides the Company with an opportunity to explore one of Norway's most prospective graphite targets. The discovery of an economic graphite resource at Bukken, located only 20km from our processing infrastructure at Skaland, would further add to our strategy to make Skaland an integral part of Europe's plan to secure supply of critical raw battery materials.

Munglinup Graphite Project

Mondium, BatteryLimits and MRC completed the DFS on a concentrate only production scenario at the Munglinup Graphite Project in December 2019, with outcomes released to the ASX on 8 January 2020. The DFS confirms the Company's view that Munglinup will become a crucial asset in its overall ambition to supply natural graphite concentrate into the key high-demand battery anode market.

Munglinup Graphite Project (continued)

Key Investment Findings

NPV (at a discount rate of 7%), post tax, real	US$ millions	111
NPV (at a discount rate of 7%), pre-tax, real	*US$ millions*	*172*
IRR post-tax, real	%	30
IRR pre-tax, real	*%*	*36*
Development Capex	US$ millions	61
Capital Payback Period	Years	2.7
LOM Operating Costs (FOB Fremantle)	US$/t ore	491
LOM Revenue	US$ millions	853
LOM EBITDA	US$ millions	426
LOM post-tax net cash flow	US$ millions	240
Average annual EBITDA	US$ millions	31

Key Project Parameters

LOM (Life of Mine)	Years	14
Ore Reserve (*Probable*)	Mt	4.24
Process throughput (years 1-6)	Ktpa	400
Process throughput (year 7 onwards)	Ktpa	500
Average Feed Grade	% TGC	12.8
Recovery rate of graphite concentrate	%	88
Nominal concentrate grade	% TGC	>95
Average annual concentrate production	Ktpa	52
Average basket price	US$/t	1,144

Munglinup Graphite Project (continued)

Mineral Resource and Reserve [1]

Mineral Resource and Ore Reserve Statement as at 8 January 2020					
Mineral Resource[2]			**Ore Reserve[3]**		
Category	**Mt**	**TGC (%)**	**Category**	**Mt**	**TGC (%)**
Measured			Proven		
Indicated	4.49	13.1	Probable	4.24	12.8
Inferred	3.50	11.0			
Total	**7.99**	**12.2**	**Total**	**4.24**	**12.8**

Ore Reserve[4]			
Flake Size	**Sieve Size (µm)**	**Mass (%)**	**TGC Grade (%)**
Jumbo	300 – 500	6.5%	95%
Large	180 - 300	16.9%	95%
Medium	150 - 180	8.0%	95%
Small	75 - 150	29.8%	95%
Fine	< 75	38.8%	95%

In Pit Resources[5]		
Category	**Mt**	**TGC (%)**
Inferred	**2.75**	**11.1**

1. Refer to ASX Release - "Robust DFS Allows MRC to move to 90% ownership of Munglinup 8 January 2020"
2. Mineral Resource estimated at a 5% TGC cut-off
3. Ore Reserve uses a variable cash flow cut-off grade
4. Ore Reserve flake size distributions are for recovered graphite product
5. In-Pit Resources comprise Inferred material inside the designed pit designs using a variable cash flow cut-off grade and do not constitute part of the Ore Reserves

The Company intends to exercise its right to increase its joint venture interest from 51% to 90% by:

- paying AU$800,000 to Gold Terrace; and
- issuing Gold Terrace with 30 million fully paid ordinary shares in MRC.

Supplementary environmental studies requested by the Western Australian Environmental Protection Authority ("EPA") were submitted in July 2020. The EPA and Federal Department of Environment and Energy will review each of the respective environmental studies prior to a four week public consultation period in the second half of 2020.

Downstream Graphite Projects

The Cooperative Research Centres Project ("CRC-P") for the development of an environmentally friendly purification process for graphite continues to progress, with CSIRO advancing on optimisation of its reagents and process conditions for the production of battery grade graphite concentrate (>99.95%). Semi-optimised conditions have been established and variability testing is near completion by the CSIRO. Further process optimisation focusing on the recycling of reagents is underway, prior to pilot-scale testing.

Downstream Graphite Projects (continued)

Outside the CSIRO component of the CRC-P, the Company has successfully produced battery grades using an alternate process, with optimisation of conditions also underway. The progress of two process routes provides flexibility in ensuring that a fit-for-purpose solution is developed.

The Company has also received the results of external evaluation of purification and coin cell tests on the performance of spherical graphite produced from Skaland concentrate as an anode material, reinforcing the Company's position that Skaland graphite has the potential to be a high quality anode material.

The Company has also conducted test work with vendors on micronisation and spheronisation during the half-year. This program is expected to be completed in the September quarter 2020, allowing for selection of a single vendor. The availability of large quantities of concentrate from Skaland means the vendor testing can be done cost-effectively and at scale – thereby increasing the level of confidence in scale-up performance.

With this encouraging progress of purification, micronisation and spheronisation studies, the Company expects to deliver a PFS of its planned downstream development as early as September quarter 2020.

The Company is also evaluating the potential for on-site micronisation at Skaland to increase the basket price of its product suite at Skaland, leveraging access to low-cost renewable energy at site. This will be complemented by upgrades at the Skaland processing plant to increase the grade of its fine-medium and powder products. Testwork to support the upgrades has been completed and engineering design of the plant upgrades is expected to be completed in the September quarter 2020.

Australian Exploration

Vanadium: Harvey

The dieback management plan and environmental management document was approved and Disease Risk Area Permit issued by the Department of Biodiversity, Conservation and Attractions on 10 February 2020. Exploration drilling is expected to commence in the December quarter 2020.

Channel Iron: Glen Florrie

The Company was granted Exploration Licence E08/2963 on 4 March 2020 and heritage agreement negotiations were commenced. MRC has a planned exploration programme, including surface mapping of the Channel Iron deposits, followed by drilling to delineate the identified historical resource.

Gold: Doolgunna

In Doolgunna, site rehabilitation has been completed and terms negotiated with the traditional owners regarding Native Title. In the September quarter 2020, the Company expects to execute a heritage agreement before submitting a detailed Programme of Work.

Xolobeni Mineral Sands Project

The Company's Xolobeni Mineral Sands Project on the Eastern Cape of South Africa remains a world-class mineral sands deposit with a JORC compliant resource of 346Mt @ 5% THM.

The Xolobeni permitting process remains under a DMR mandated moratorium. The Company has entered into an agreement to divest its interest to its project BEE partners, which is currently under suspension due to the moratorium, The Company continues to consider that the Xolobeni Mineral Sands Project has compelling socio-economic benefits for the area and can be developed in conjunction with the eco-tourism and agricultural initiatives that are being put forward by various stakeholders.

REVIEW OF OPERATIONS (CONTINUED)

Consolidated Results and Financial Position

Earnings before interest, tax, depreciation and amortisation ("EBITDA") of $9.4m for the 2020 half-year was below the 2019 half-year EBITDA of $10.9m, a 14% decrease on the current half-year. Net profit before income tax ("NPBT") was $6.8m for the 2020 half-year, a 20% decrease on the 2019 half-year NPBT result of $8.5m.

These decreases in the EBITDA and NPBT results, in comparison to the prior half-year, reflect the decrease of bulk ilmenite sales due to the global impact of the COVID-19 pandemic on customers. Lower ilmenite sales for the half-year have also resulted in lower transport costs, which are down from $5.6m in the prior half year to $0.6m in the current half-year.

The profit of the consolidated entity after income tax attributable to members of the parent entity for the 2020 half year was $5.6m (2019 half-year $7.0m), a 20% decrease on the current half-year.

At 30 June 2020, the Company had $5.7m in cash, decreased from $8.1m as at 31 December 2019. Current trade and other receivables at 31 December 2019 of $8.0m increased to $20.3m as at 30 June 2020. The Company's cash position has been materially impacted by deferred bulk ilmenite sales due to the global impact of the COVID-19 pandemic and unpaid bulk garnet sales due to the ongoing dispute with GMA Group.

The net assets of the Group have increased from $46.0m as at 31 December 2019 to $47.1m as at 30 June 2020. The increase in reported net assets reflects the continued profitability of the business during the half-year.

EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to half-year end, the Group, through its subsidiary, Mineral Sands Resources (Pty) Ltd, has entered into a sale and lease-back agreement with Caterpillar Financial Services South Africa (Pty) Ltd to refinance the mobile mining equipment. Under the terms of this agreement, the Group is the owner of the mobile equipment on final payment under the agreements.

On 30 July 2020, the Shareholders approved the share placement to issue up to 100,000,000 shares for the secondary listing of the Group's securities on the Oslo Stock Exchange, which is expected to be completed in the September 2020 quarter.

Subsequent to half-year end, the Company received a Termination Notice from GMA Group for alleged material breaches of the Offtake Agreement. The Company continues to seek advice on this matter. The Company has now notified GMA Group that inter alia GMA Group's refusal to continue to be bound by the terms of the Offtake Agreement constitutes a repudiation of the Offtake Agreement and the Company has terminated the Offtake Agreement in its own right. The Company has otherwise reserved all of its rights.

Notwithstanding the termination and repudiation of the contract the Company is entitled to and will continue engage in the contractual dispute resolution processes that apply to the current matters.

The Company is currently commissioning its Northern Beaches and Inland Strand mining operations that were subject of the recently granted Section 102 Mining Right. These mining areas sit outside the area which is the subject of the Offtake Agreement.

Except for the above, there have been no material matters arising subsequent to balance date and up until the date of signing these Financial Statements.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 41.

Signed in accordance with a resolution of the Directors.

Mark Caruso
Executive Chairman
Dated at Perth, Western Australia
This 24th day of August 2020

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 30 June 2020

	Notes	**Half-Year to 30 Jun 20 $**	Half-Year to 30 Jun 19 $
Revenue from continuing operations			
Revenue from contracts with customers	2.2	**15,919,917**	29,694,202
Other revenue	2.2	**1,386,791**	746,443
		17,306,708	30,440,645
Expenses			
Mining and processing costs	2.3 (i)	**(8,807,200)**	(20,344,850)
Administration expenses	2.3 (ii)	**(1,496,083)**	(1,650,588)
Share payment expenses		**(77,372)**	(151,853)
Finance (costs)/income		**(165,684)**	157,619
Profit before income tax from continuing operations		**6,760,369**	8,450,973
Income tax expense	7	**(710,334)**	(1,463,996)
Profit after income tax from continuing operations		**6,050,035**	6,986,977
Discontinued Operations			
Loss for the year from discontinued operations	6	**(431,020)**	-
Profit for the period		**5,619,015**	6,987,977
Profit is attributable to:			
Owners of Mineral Commodities Ltd		**5,619,015**	6,986,977
Non-controlling interest		**-**	-
		5,619,015	6,986,977
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Company:		**Cents**	Cents
Basic earnings per share		**1.33**	1.66
Diluted earnings per share		**1.33**	1.64
Other comprehensive expense items			
Exchange differences on translation of foreign operations	5.2(ii)	**(8,735,240)**	(280,460)
Other comprehensive loss for half-year net of tax		**(8,735,240)**	(280,460)
Total comprehensive (loss)/profit for the period		**(3,116,225)**	6,706,517
Total comprehensive (loss)/profit for the half-year is attributable to:			
Owners of Mineral Commodities Ltd		**(3,116,225)**	6,706,517
Non-controlling interest		**-**	-
		(3,116,225)	6,706,517

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2020

	Notes	30 Jun 20 $	31 Dec 19 $
Current assets			
Cash and cash equivalents		**5,738,953**	8,092,614
Trade and other receivables	4.1	**20,332,638**	8,027,372
Inventories	4.2	**23,085,143**	21,943,331
Other investments, including derivatives	5.3	**1,529,684**	777,253
Total current assets		**50,686,418**	38,840,570
Non-current assets			
Trade and other receivables	4.1	**1,069,368**	1,513,268
Exploration and evaluation assets	3.1	**17,210,959**	18,271,033
Mine development expenditure	3.2	**8,685,571**	10,412,610
Property, plant and equipment	3.3	**14,589,265**	17,830,604
Total non-current assets		**41,555,163**	48,027,515
Total assets		**92,241,581**	86,868,085
Current liabilities			
Trade and other payables		**4,960,320**	4,716,742
Unearned revenue	2.2(i)	**4,431,975**	72,375
Contract liabilities	2.2(i)	**20,299,115**	18,099,115
Borrowings	5.1	**2,308,871**	3,611,778
Employee benefits		**942,265**	661,266
Current tax liabilities	7	**5,261,393**	3,568,791
Total current liabilities		**38,203,939**	30,730,067
Non-current liabilities			
Provisions		**303,999**	253,968
Borrowings	5.1	**3,483,518**	4,115,217
Employee benefits		**144,768**	126,795
Deferred tax liabilities	7	**2,972,830**	5,653,489
Total non-current liabilities		**6,905,115**	10,149,469
Total liabilities		**45,109,054**	40,879,536
Net assets		**47,132,527**	45,988,549
Equity			
Contributed equity	5.2(i)	**69,193,649**	64,927,687
Reserves	5.2(ii)	**(30,240,252)**	(21,499,253)
Retained earnings		**8,065,491**	2,446,476
Parent entity interest		**47,018,888**	45,874,910
Non-controlling interest		**113,639**	113,639
Total equity		**47,132,527**	45,988,549

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the half-year ended 30 June 2020

	Half-Year to 30 Jun 20 $	Half-Year to 30 Jun 19 $
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	**11,558,276**	30,519,330
Payments to suppliers and employees	**(14,136,400)**	(19,592,114)
Tax paid	**(205,421)**	(960,811)
Net cash (outflow)/inflow from operating activities	**(2,783,545)**	9,966,405
Cash flows from investing activities		
Net cash disposed	**(107,316)**	-
Payments for exploration expenditure	**(827,396)**	(1,647,975)
Payments for plant and equipment	**(625,035)**	(947,168)
Payments for development expenditure	**(424,269)**	-
Payments for derivatives	**-**	(147,135)
Interest received	**9,704**	49,667
Net cash outflow from investing activities	**(1,974,312)**	(2,692,611)
Cash flows from financing activities		
Repayment of borrowings	**(1,477,795)**	(1,743,354)
Proceeds from issue of new shares (net of costs)	**4,182,831**	-
Dividends paid to shareholders	**-**	(2,069,834)
Interest paid	**(162,335)**	(181,406)
Net cash inflow/(outflow) from financing activities	**2,542,701**	(3,994,594)
Net (decrease)/increase in cash and cash equivalents held	**(2,215,156)**	3,279,200
Cash and cash equivalents at the beginning of the half-year	**8,092,614**	12,410,510
Effects of exchange rate changes on cash and cash equivalents	**(138,505)**	92,576
Cash and cash equivalents at the end of the half-year	**5,738,953**	15,782,286

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

	Contributed equity $	Reserves $	Retained Earnings/ accumulated losses	Total $	Non-Controlling interest $	Total equity $
Balance at 1 January 2020	**64,927,687**	**(21,499,253)**	**2,446,476**	**45,874,910**	**113,639**	**45,988,549**
Profit for the half-year	-	-	5,619,015	**5,619,015**	-	**5,619,015**
Other comprehensive loss for the half-year	-	(8,735,240)	-	**(8,735,240)**	-	**(8,735,240)**
Total comprehensive income for the half-year	-	(8,735,240)	5,619,015	**(3,116,225)**	-	**(3,116,225)**
Transactions with owners in their capacity as owners						
Conversion of unlisted performance rights to ordinary shares	83,131	(83,131)	-	**-**	-	**-**
Share-based payment expenses	-	77,372	-	**77,372**	-	**77,372**
Share Issue net of costs	4,182,831	-	-	**4,182,831**	-	**4,182,831**
Balance at 30 June 2020	**69,193,649**	**(30,240,252)**	**8,065,491**	**47,018,888**	**113,639**	**47,132,527**

	Contributed equity $	Reserves $	Accumulated losses $	Total $	Non-Controlling interest $	Total equity $
Balance at 1 January 2019	**64,919,201**	**(21,439,180)**	**(1,542,284)**	**41,937,737**	**113,639**	**42,051,376**
Profit for the half-year	-	-	6,986,977	**6,986,977**	-	**6,986,977**
Other comprehensive profit for the half-year	-	(280,460)	-	**(280,460)**	-	**(280,460)**
Total comprehensive income for the half-year	-	(280,460)	6,986,977	**6,706,517**	-	**6,706,517**
Transactions with owners in their capacity as owners						
Conversion of unlisted performance rights to ordinary shares	8,497	(8,497)	-	-	-	-
Share-based payment expenses	-	151,853	-	**151,853**	-	**151,853**
Expiry of unlisted options						
Dividend paid	-	-	(2,069,834)	**(2,069,834)**	-	**(2,069,834)**
Balance at 30 June 2019	**64,927,698**	**(21,576,284)**	**3,374,859**	**46,726,273**	**113,639**	**46,839,912**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1. Basis of Preparation

This section provides information about the basis of preparation of the half-year financial report.

1.1 Corporate information

Mineral Commodities Ltd (the "Company") is a company limited by shares, domiciled and incorporated in Australia. Its shares are publicly traded on the Australian Securities Exchange ("ASX"). The condensed consolidated financial report of the Company for the six months ended 30 June 2020 ("the half-year financial report") comprises the Company and its controlled entities ("the Group"). Mineral Commodities Ltd is the ultimate parent entity in the Group.

The half-year financial report was authorised for issue in accordance with a resolution of the Directors, effective 24 August 2020.

1.2 Basis of preparation

The financial report for the half-year ended 30 June 2020 is a condensed general purpose financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The half-year financial report does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2019. Except as disclosed below, the accounting policies are the same as those adopted in the most recent annual financial report.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the coronavirus (COVID-19) pandemic.

1.3 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the half-year report are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019, except for the adoption of new standards effective as of 1 January 2020. The Group has not early adopted any standards, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the interim condensed financial statements of the Group.

Amendments to AASB 2018-6 *Amendments to AASs - Definition of a Business*
The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group.

AASB Interpretation 23 *Uncertainty over Income Tax Treatment*
The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 112. It does not apply to taxes or levies outside the scope of AASB 112, nor does it include specific requirements relating to interest and penalties associated with uncertain tax treatments.

1. Basis of Preparation (continued)

AASB Interpretation 23 *Uncertainty over Income Tax Treatment (continued)*
The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately or collectively;
- The assumptions an entity makes about the examination of tax treatments by taxation authorities;
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates;
- How an entity considers changes in facts and circumstances.

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertain tax treatments needs to be followed.

AASB Interpretation 23 *Uncertainty over Income Tax Treatment* (Continued)

The Group considered whether it had any uncertain tax positions, particularly those relating to transfer pricing. The Company's and subsidiaries' tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Group determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The interpretation did not have an impact on the consolidated financial statements of the Group.

Amendments to IAS 1 and IAS 8: *Definition of Material*
The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

2. Financial Performance

This section highlights key financial performance of the Group for the reporting period, including disclosures of segmental financial information and dividends.

2.1 Segment information

Description of segments

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors, which makes strategic decisions.

There is no goodwill attached to any of the segments. There has been no impact on the measurement of the assets and liabilities reported for each segment.

The chief operating decision maker has identified four reportable segments to its business, being:

- Mineral sands mining and production (Tormin Mineral Sands project) – Republic of South Africa;
- Mineral sands exploration (Xolobeni Mineral Sands project) – Republic of South Africa;
- Graphite mining and production (Skaland) – Norway;
- Exploration activities – Australia; and
- Corporate (management and administration of the Company's projects) – Australia, Republic of South Africa and Norway.

Notes to the Consolidated Financial Statements

2. Financial Performance (continued)

2.1 Segment information (continued)

(i) Segment results, segment assets and segment liabilities

The segment information provided to the chief operating decision maker for the reportable segments for the period ended 30 June 2020 is as follows:

	Tormin Project $	Xolobeni Project $	Skaland Project $	Australia Exploration $	Corporate $	Consolidation Eliminations $	Totals $
Half-Year 2020							
Revenue from operations							
Total segment revenue	14,088,672	-	3,560,524	-	13,101,584	-	**30,750,780**
Inter-segment revenue	(13,444,072)	-	-	-	-	-	**(13,444,072)**
Revenue from external customers	**644,600**	**-**	**3,560,524**	**-**	**13,101,584**	**-**	**17,306,708**
Adjusted EBITDA	**10,499,752**	**(24,520)**	**(120,490)**	**(109,496)**	**(7,558,337)**	**6,718,299**	**9,405,208**
Depreciation and amortisation	1,826,092	-	635,273	1,629	16,161	-	**2,479,155**
Total segment assets	**36,113,924**	**4,388,527**	**10,932,288**	**11,341,968**	**26,547,531**	**2,917,343**	**92,241,581**
Total segment liabilities	**12,962,146**	**4,329,163**	**5,827,559**	**10,460,782**	**11,529,404**	**-**	**45,109,054**
Half-Year 2019							
Revenue from operations							
Total segment revenue	29,943,712	-	-	-	30,326,385	-	**60,270,097**
Inter-segment revenue	(29,829,452)	-	-	-	-	-	**(29,829,452)**
Revenue from external customers	**114,260**	-	**-**	-	**30,326,385**	**-**	**30,440,645**
Adjusted EBITDA	**4,276,946**	**2,453**	**-**	**(3,157)**	**7,412,950**	**(790,450)**	**10,898,742**
Depreciation and amortisation	2,574,017	-	-	-	31,371	-	**2,605,388**
Total segment assets	**31,943,560**	**5,331,648**	**-**	**9,934,994**	**49,240,514**	**(9,051,137)**	**87,399,579**
Total segment liabilities	**13,580,957**	**5,229,707**	**-**	**9,939,479**	**25,925,759**	**(14,116,235)**	**40,559,667**

2. Financial Performance (continued)

2.1 Segment information (continued)

(i) Segment results, segment assets and segment liabilities (continued)

Adjusted earnings before interest, tax, depreciation and amortisation ("EBITDA") reconciles to operating profit before income tax as follows:

	30 Jun 20 $	30 Jun 19 $
Adjusted EBITDA	**9,405,208**	10,898,742
Finance (expense)/income	**(165,684)**	157,619
Depreciation and amortisation	**(2,479,155)**	(2,605,388)
Profit before income tax	**6,760,369**	8,450,973

2.2 Revenue from contracts with customers

Revenue from contracts with customers	**15,919,917**	29,694,202
Other Revenue		
Stockpiling Management Fees	**568,932**	616,457
Other Income	**817,859**	129,986
	1,386,791	746,443

(i) Assets and liabilities related to contracts with customers

	30 Jun 20 $	31 Dec 19 $
Unearned revenue	**4,431,975**	72,375
Contract liabilities	**20,299,115**	18,099,115

2.3 Expenses

(i) Mining and processing costs

Mining and processing costs include the following material expenditure items:

	30 Jun 20 $	30 Jun 19 $
Transport and shipping of product	**569,132**	5,559,146
Stock Adjustments	**(4,063,199)**	1,466,848
Fuel	**2,118,283**	2,983,195
Wages and salaries	**3,565,971**	3,542,021
Repairs and maintenance	**1,794,053**	1,744,546
Depreciation and amortisation – mining and processing assets	**2,461,364**	2,574,017

2. Financial Performance (continued)

2.3 Expenses (continued)

(ii) Administration expenses	**1,496,083**	1,650,588

Included in the current half-year administration expenses are unrealised gains on unlisted equity investments of $801,000 (30 June 2019: $30,000). Also included in the current half-year administration expenses are unrealised foreign exchange losses of $68,000 (30 June 2019: gain of $44,000).

2.4 Dividends

Dividends paid during the period to 30 June:	**Dividend per share US**	**Total $**	**Payment Date**
2020			
2019 Final dividend per ordinary share (NIL)	-	-	-
2019			
2018 Final dividend per ordinary share (A$0.007)	0.49	2,069,834	14 May 2019

Per ASX Announcement dated 30 April 2020, the Board resolved not to declare a final dividend in respect to the year ended 31 December 2019 due to the uncertainty and potential impacts on cash flows.

3. Capital Expenditure and Operating Assets

This section includes information about the assets used by the Group to generate profits and revenue, specifically information relating to its exploration and evaluation assets, mine development expenditures, property, plant and equipment, associated rehabilitation obligations and commitments for capital expenditure not yet recognised as a liability.

3.1 Exploration and evaluation assets

	30 Jun 20 $	**31 Dec 19 $**
As at beginning of the period	**18,271,033**	15,369,068
Acquisition of exploration asset	**-**	26,082
Expenditure during the year	**827,396**	3,202,766
Write-off discontinued projects	**(445,151)**	-
Reclassification: transfer to mine development expenditure	**(5,708)**	-
Exchange difference	**(1,436,611)**	(326,883)
As at end of the period	**17,210,959**	18,271,033

3. Capital Expenditure and Operating Assets (continued)

3.2 Mine development expenditure

As at beginning of the period	**10,412,610**	5,240,911
AASB 16 adoption	**-**	(220,874)
	10,412,610	5,020,037
Acquisition of a subsidiary	**-**	6,032,998
Amortisation expense	**(899,150)**	(1,125,315)
Additions	**424,269**	170,207
Reclassification: transfer from exploration and evaluation assets	**5,708**	-
Reclassification: transfer from PPE	**93,822**	-
Exchange difference	**(1,351,688)**	314,683
As at end of the period	**8,685,571**	10,412,610

3. Capital Expenditure and Operating Assets (continued)

3.3 Property, plant and equipment

	Freehold land and buildings $	Furniture, fittings and equipment $	Plant and machinery $	Mine vehicles $	Decommissioning asset $	Right-of-use asset $	Capex work in progress $	**Total $**
Half-year ended 30 June 2020								
Cost at fair value								
As at 1 January 2020	1,531,954	760,347	24,625,009	128,438	253,968	4,344,178	3,306,483	**34,950,377**
Additions	-	-	4,842	-	97,359	722,904	620,193	**1,445,298**
Write-off	-	-	(1,211,028)	-	-	-	-	**(1,211,028)**
Re-classifications	-	-	640,092	-	-	-	(733,914)	**(93,822)**
Exchange differences	(190,454)	(67,797)	(4,510,784)	(24,338)	(47,329)	(817,271)	(393,216)	**(6,051,189)**
As at 30 June 2020	1,341,500	692,550	19,548,131	104,100	303,998	4,249,811	2,799,546	**29,039,636**
Accumulated depreciation and amortisation								
As at 1 January 2020	(52,795)	(669,739)	(14,619,918)	(111,544)	(99,943)	(1,565,834)	-	**(17,119,773)**
Depreciation and amortisation	(6,153)	(29,185)	(927,374)	(4,643)	(18,006)	(594,644)	-	**(1,580,005)**
Write-off	-	-	1,069,803	-	-	-	-	**1,069,803**
Exchange differences	10,241	57,152	2,756,948	21,315	19,290	314,658	-	**3,179,604**
As at 30 June 2020	(48,707)	(641,772)	(11,720,541)	(94,872)	(98,659)	(1,845,820)	-	**(14,450,371)**
Net book amount								
Cost at fair value	1,341,500	692,550	19,548,131	104,100	303,998	4,249,811	2,799,546	**29,039,636**
Accumulated depreciation and amortisation	(48,707)	(641,772)	(11,720,541)	(94,872)	(98,659)	(1,845,820)	-	**(14,450,371)**
Net book amount	1,292,793	50,778	7,827,590	9,228	205,339	2,403,991	2,799,546	**14,589,265**

3. Capital Expenditure and Operating Assets (continued)

3.3 Property, plant and equipment (continued)

	Freehold land and buildings $	Furniture, fittings and equipment $	Plant and machinery $	Mine vehicles $	Decommissioning asset $	Right-of-use asset $	Capex work in progress $	**Total $**
Half-year ended 30 June 2019								
Cost at fair value								
As at 1 January 2019	501,160	755,431	22,327,467	125,336	247,834	-	4,287,854	**28,245,082**
AASB 16 adoption		-	-	-	-	4,239,261	(2,738,502)	**1,500,759**
Adjusted 1 January	501,160	755,431	22,327,467	125,336	247,834	4,239,261	1,549,352	**29,745,841**
Additions	-	-	-	-	-	-	947,168	**947,168**
Disposals	-	-	-	-	-	-	-	**-**
Re-classifications	-	-	-	-	-	-	(70,306)	**(70,306)**
Exchange differences	11,102	4,701	627,577	2,777	5,491	93,914	21,329	**766,891**
As at 30 June 2019	512,262	760,132	22,955,044	128,113	253,325	4,333,175	2,447,543	**31,389,594**
Accumulated depreciation and amortisation								
As at 1 January 2019	(37,274)	(574,725)	(12,152,179)	(87,593)	(72,746)	-	-	**(12,924,517)**
AASB 16 adoption	-	-	-	-	-	(132,525)	-	**(132,525)**
Adjusted 1 January	(37,274)	(574,725)	(12,152,179)	(87,593)	(72,746)	(132,525)	-	**(13,057,042)**
Depreciation and amortisation	(7,224)	(51,072)	(1,157,763)	(10,779)	(12,568)	(858,836)	-	**(2,098,242)**
Exchange differences	(882)	1,934	(286,513)	(2,026)	(1,709)	(9,658)	-	**(298,854)**
As at 30 June 2019	(45,380)	(623,863)	(13,596,455)	(100,398)	(87,023)	(1,001,019)	-	**(15,454,138)**
Net book amount								
Cost at fair value	512,262	760,132	22,955,044	128,113	253,325	4,333,175	2,447,543	**31,389,594**
Accumulated depreciation and amortisation	(45,380)	(623,863)	(13,596,455)	(100,398)	(87,023)	(1,001,019)	-	**(15,454,138)**
Net book amount	466,882	136,269	9,358,589	27,715	166,302	3,332,156	2,447,543	**15,935,456**

Notes to the Consolidated Financial Statements

4. Working Capital Management

This section provides information about the Group's working capital balances and management.

4.1 Trade and other receivables

	30 Jun 20 $	31 Dec 19 $
Current		
Trade receivables (1)	**15,073,436**	2,627,977
Less: Provision for impairment of receivables	**-**	-
	15,073,436	2,627,977
Other receivables	**5,223,452**	5,136,452
Prepayments	**35,750**	262,943
	20,332,638	8,027,372
Non-current		
Security deposits	**233,300**	469,764
Advance to Blue Bantry	**809,377**	998,599
Other receivables	**26,691**	44,905
	1,069,368	1,513,268

(1) A technical dispute has arisen with GMA Group regarding stockpiled inventory quantities. The Group's current trade receivable balance of US$15.1M includes US$14.5M owing from GMA Group. The Group has unearned revenue of US$4.4M and contract liabilities of US$20.3M in relation to GMA Group.

4.2 Inventories

	30 Jun 20 $	31 Dec 19 $
Current		
Raw materials, at cost	**304,083**	329,291
Finished product, at cost	**20,738,434**	19,171,494
Spare parts and consumables, at cost	**2,042,626**	2,442,546
	23,085,143	21,943,331

Estimates and judgements are made in accounting for inventory. The inventory balance captured the adjustment that came as a result of a detailed survey of garnet inventory during the half-year, arising from the dispute resolution process with the GMA Group. The main mechanisms for calculating inventory as agreed by the parties was via independent survey, with final reconciliation at the end of the contract. The large quantity of production of ~1.9 million tonnes of garnet concentrate produced under the GMA contract since its inception in 2014 and delays in GMA's contracted shipping schedules has caused a large inventory build-up of stockpiles to contracted limits. This has impacted the Company's ability to survey stockpile basement levels and compounded inventory variances. As a result of the independent garnet inventory survey during the current half-year, the Company was able to identify 156kt of additional inventory tonnes in comparison to the 31 December 2019 survey. The main contributing factors were settlement of the stockpile areas and production during the period. The adjustments have been confirmed by independent survey in accordance with the requirements of the Offtake Agreement.

5. Funding and Risk Management

This section provides information relating to the management of capital, credit, liquidity and market risks and the policies for measuring and managing these risks.

5.1 Borrowings

	30 Jun 20 $	31 Dec 19 $
Current		
Long term borrowings – unsecured [6]	**916,683**	1,442,444
Amounts due under equipment acquisition agreements [1], [2], [4], [5]	**1,286,182**	1,422,824
Long term borrowings – secured [3], [7]	**106,006**	746,510
	2,308,871	3,611,778
Non-current		
Long term borrowings – unsecured [6]	**2,439,952**	2,877,396
Amounts due under equipment acquisition agreements [1], [2], [4], [5]	**958,431**	1,067,240
Long term borrowings – secured [3], [7]	**85,135**	170,581
	3,483,518	4,115,217

(1) The Group entered into Master Rental Agreements to acquire mobile mining equipment and generators. Under the terms of these agreements, there was an option to purchase, which the Group exercised for the mobile mining equipment.

(2) The Group entered into Instalment Sale Agreements to acquire and refinance mobile mining equipment. Under the terms of this agreement, the Group will become the owner of the mobile mining equipment on final payment under the agreements.

(3) The Group entered into a US$4.5 million financing arrangement with GMA for its Garnet Stripping Plant ("GSP") expansion. Under the terms of the agreement, the borrowing is charged at Libor + 2% and repaid over three years from the repayment commencement date. The borrowings were secured by a special notarial bond over the GSP. Repayment of the loan was completed in May 2020.

(4) The Group entered into Commercial Loans and Chattel Mortgages for motor vehicles. Under the terms of these agreements, the Group will become the owner of the motor vehicles on final payment under the agreements.

(5) The Group entered into a Master Finance Lease to acquire mobile mining equipment. Under the terms of these agreements, the Group will become the owner of the mobile mining equipment on final payment under the agreements.

(6) The Group entered into a Loan Agreement with the previous owners as part of the acquisition of Skaland Graphite AS. The interest rate is NIBOR +2% and is repaid quarterly.

(7) The Group acquired two loans payable to Innovasjon Norge on the Acquisition of Skaland Graphite AS. The first loan is fully repayable in 2020 with an effective interest rate of 3.30%. The second loan is repayable in full by 2024. The loan has an effective interest rate of 4.01%

5. Funding and Risk Management (continued)

5.2 Equity

(i) Contributed Equity

Ordinary shares	30 Jun 20 Number of shares	31 Dec 19 Number of shares	30 Jun 20 $	31 Dec 19 $
Balance at 1 January	**421,191,571**	421,191,571	**64,927,687**	64,927,687
Share issue net of costs	**32,900,000**	-	**4,182,831**	-
Conversion of performance rights	**1,000,000**	-	**83,131**	-
Balance at 30 June	**455,091,571**	421,191,571	**69,193,649**	64,927,687

(ii) Reserves

2020	General Reserve $	Foreign Currency Translation Reserve $	Share-based Payment Reserve $	Total Reserves $
Balance at 1 January	1,363,393	(23,485,125)	622,479	**(21,499,253)**
Share-based payment expenses	-	-	77,372	**77,372**
Conversion of performance rights	-	-	(83,131)	**(83,131)**
Exchange differences on translation of foreign operations[(a)]	-	(8,735,240)	-	**(8,735,240)**
Balance at 30 June	**1,363,393**	**(32,220,365)**	**616,720**	**(30,240,252)**

2019	General Reserve $	Foreign Currency Translation Reserve $	Share-based Payment Reserve $	Total Reserves $
Balance at 1 January	1,363,393	(23,171,728)	369,155	**(21,439,180)**
Share-based payment expenses	-	-	261,810	**261,810**
Conversion of performance rights	-	-	(8,486)	**(8,486)**
Exchange differences on translation of foreign operations	-	(313,397)	-	**(313,397)**
Balance at 31 December	1,363,393	(23,485,125)	622,479	**(21,499,253)**

(a) The US$8.7 million exchange loss on translation of foreign operations during the half-year reflects the impact of the 18.9% depreciation of the South African rand against the US dollar and 13.5% depreciation of the Norwegian krone against the US dollar, reducing the US dollar carrying value of foreign currency denominated assets and liabilities. These large exchange differences have reduced the carrying value of foreign denominated non-current assets and working capital positions.

5. Funding and Risk Management (continued)

5.3 Fair value measurement of financial instruments

This note provides an update on the judgements and estimates made by the Group in determining the fair values of the financial instruments since the last annual financial report.

Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the group classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted marked price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over–the–counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices, recent transactions or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of foreign currency forwards is determined using forward exchange rates at the balance sheet date.

All of the resulting fair value estimates are included in level 2 except for listed equity securities.

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2020 and 31 December 2019 on a recurring basis:

	Level 1 $	Level 2 $	Level 3 $	Total $
30 June 2020				
Financial assets				
Derivatives – FVTPL	-	395	-	**395**
Listed equity securities – FVTPL	24,069	-	-	**24,069**
Unlisted equity securities - FVTPL	-	1,505,220	-	**1,505,220**
Total Financial Assets	24,069	1,505,615	-	**1,529,684**
Financial liabilities				
Borrowings	-	(5,792,389)	-	**(5,792,389)**
Total Financial Liabilities	-	(5,792,389)	-	**(5,792,389)**

5. Funding and Risk Management (continued)

5.3 Fair value measurement of financial instruments (continued)

	Level 1 $	Level 2 $	Level 3 $	Total $
31 December 2019				
Financial assets				
Derivatives – FVTPL	-	71,207	-	**71,207**
Listed equity securities – FVTPL	24,545	-	-	**24,545**
Unlisted equity securities - FVTPL	-	681,501	-	**681,501**
Total Financial Assets	24,545	752,708	-	**777,253**
Financial liabilities				
Borrowings	-	(7,726,995)	-	**(7,726,995)**
Total Financial Liabilities	-	(7,726,995)	-	**(7,726,995)**

The Group's policy is to recognise transfers in and transfers out of fair value hierarchy levels as at the end of the reporting period.

6. Discontinued operations

On 11 March 2020, the Group divested its exploration interests in Iran. At 30 June 2020, the Iran exploration division was classified as a discontinued operation and is no longer presented in the segment note. The consolidated results of the Iran exploration division for the period are presented below:

	For the six months ended 30 June	
	2020 $	2019 $
Remeasurement to fair value less costs to sell	(431,020)	-
Profit/(loss) before tax from discontinued operations	**(431,020)**	**-**
Tax (expense)/benefit:	-	-
Post-tax profit/(loss) of discontinued operations	**(431,020)**	**-**

The net cash flows generated/(incurred) by the Iran exploration division is, as follows:

	For the six months ended 30 June	
	2020 $	2019 $
Investing	-	(22,103)
Financing	-	187,363
Net cash inflow/(outflow)	**-**	165,260

Notes to the Consolidated Financial Statements

7. Taxation

The income tax expense for the half-year period is the tax payable on the current period's taxable income based on the applicable income tax rate and tax law for each jurisdiction. This has resulted in an effective tax rate for the half-year period of 10.51% (30 June 2019: 17.32%). The reduction in the effective tax rate is due to the additional tax deduction for net foreign exchange losses on inter-company loans not recognised in the consolidated accounts, partially offset by permanent differences for credit losses, share based payments and donations.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The change in the deferred tax balance in comparison to 31 December 2019 accounts (2020: US$2,972,830 liability, 2019: US$5,653,489 liability) materially relates to net foreign exchange losses on inter-company loans not recognised in the consolidated accounts.

The current tax liabilities balance for the half-year of US$5,261,393 (31 December 2019: US$3,568,791) has increased due to the current tax expense for the half-year, partially offset by Australian tax instalments paid during the period.

8. Other

This section provides information that is not directly related to the specific line items in the financial statements, including information about contingent assets and liabilities, other commitments, events after the end of the financial year, remuneration of auditors and changes to accounting policies and procedures.

8.1 Contingent assets and contingent liabilities

Contingent Liabilities

Guarantees

The Guarantees disclosed below reflect the same Guarantees as at 31 December 2019 that are now being managed by a new provider.

Guardrisk has issued a Guarantee in favour of the South African Department of Mineral Resources, in respect of MSR's obligations under the Tormin Mining Right for an amount of ZAR4,102,989 (US$236,721) (FirstRand Bank Limited: Dec 2019: ZAR4,102,989 (US$292,545)).

Guardrisk has issued a Guarantee in favour of the South African Department of Mineral Resources, in respect of MSR's obligations under the De Punt Prospecting Right Application for an amount of ZAR320,000 (US$18,462) (FirstRand Bank Limited: Dec 2019: ZAR320,000 (US$22,779)).

Guardrisk has issued a Guarantee in favour of the South African Department of Mineral Resources, in respect of MSR's obligations under the Tormin Prospecting Rights for an amount of ZAR400,000 (US$23,078) (FirstRand Bank Limited: Dec 2018: ZAR400,000 (US$28,473)).

Guardrisk has issued a Guarantee in favour of the South African Department of Mineral Resources, in respect of MSR's obligations under the Tormin Prospecting Rights for an amount of ZAR350,000 (US$20,193) (FirstRand Bank Limited: Dec 2019: ZAR350,000 (US$24,914)).

Guardrisk has issued a Guarantee in favour of the South African Department of Mineral Resources, in respect of MSR's obligations under the expanded Tormin Mining Rights for an amount of ZAR15,200,000 (US$876,959) (Dec 2019: ZAR15,200,000 (US$1,081,981)).

8. Other (continued)

8.1 Contingent assets and contingent liabilities (continued)

Others

In prior year, the Company received a letter of demand for up to ZAR32,268,000 (US$1,861,692) (Dec 2019: ZAR32,268,000 (US$2,291,115)) plus penalty interest of ZAR 4,307,083 (US$248,497) (Dec 2019: ZAR4,307,083 (US$305,815)), totaling ZAR36,575,083, relating to diesel fuel rebate claimed from its mining activities over several years. The Company is of the view, based upon independent legal advice obtained, that the Company has been compliant with the respective legislation and therefore the Company does not consider it had a present obligation with respect to this claim. Accordingly, no provision or liability in relation to the claim was recognised on the date of the letter of demand in the financial statements. SARS have withheld payment for diesel fuel rebate and VAT claims in order to satisfy this purported cash debt, with the full amount now withheld. The Group maintains its position that there is no present refund obligation to SARS and that this amount has been withheld in error and therefore these amounts are recoverable. The Company is pursuing legal proceedings and is confident in its claim. There has been no change since 31 December 2019.

Other than those mentioned above, there have been no other changes to contingent assets or liabilities since 30 June 2020.

Other Commitments

Blue Bantry funding support

The Company, via MRCR, and Blue Bantry are both 50% shareholders in MSR, the entity that owns the Tormin Project.

The Company agreed to provide Blue Bantry access to an amount of funding to support the original Tormin Project objectives by advancing, through a loan, certain benefits Blue Bantry would expect to receive from the Tormin Project. Blue Bantry will repay the ZAR14,000,000 loan from dividend distributions that it will receive in the future from MSR.

8.2 Events occurring after the reporting period

Subsequent to half-year end, the Group, through its subsidiary, Mineral Sands Resources (Pty) Ltd, has entered into a sale and lease-back agreement with Caterpillar Financial Services South Africa (Pty) Ltd to refinance the mobile mining equipment. Under the terms of this agreement, the Group is the owner of the mobile equipment on final payment under the agreements.

On 30 July 2020, the Shareholders approved the share placement to issue up to 100,000,000 shares for the secondary listing of the Group's securities on the Oslo Stock Exchange, which is expected to be completed in the September quarter 2020.

Subsequent to half-year end, the Company received a Termination Notice from GMA Group for alleged material breaches of the Offtake Agreement. The Company continues to seek advice on this matter. The Company has now notified GMA Group that inter alia GMA Group's refusal to continue to be bound by the terms of the Offtake Agreement constitutes a repudiation of the Offtake Agreement and the Company has terminated the Offtake Agreement in its own right. The Company has otherwise reserved all of its rights.

Notwithstanding the termination and repudiation of the contract the Company is entitled to and will continue engage in the contractual dispute resolution processes that apply to the current matters.

The Company is currently commissioning its Northern Beaches and Inland Strand mining operations that were subject of the recently granted Section 102 Mining Right. These mining areas sit outside the area which is the subject of the Offtake Agreement.

Except for the above, there have been no material matters arising subsequent to balance date and up until the date of signing these Financial Statements.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The consolidated financial statements, comprising the Consolidated Income Statement and Other Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity and accompanying notes:

   (a) Comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and

   (b) Give a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the half-year ended on that date.

2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and behalf of the Directors by:

Mark Caruso
Executive Chairman
Dated at Perth, Western Australia
This 24th day of August 2020

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DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF MINERAL COMMODITIES LTD

As lead auditor for the review of Mineral Commodities Ltd for the half-year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Mineral Commodities Ltd and the entities it controlled during the period.

Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 24 August 2020

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Mineral Commodities Ltd

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Mineral Commodities Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the Corporations Act 2001 including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001 which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 30 June 2020 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

BDO

Glyn O'Brien

Glyn O'Brien

Director

Perth, 24 August 2020