

This is an important document and requires your attention

If you are in doubt how to deal with it, please consult your financial or other professional adviser.

All figures are expressed in Australian dollars unless otherwise stated.

Explanatory statement, Notice of annual general and special meeting and Management information circular

Mineral Deposits Limited ABN 19 064 377 420 (**MDL**)

Date: 27 November 2008

Time: 10.30am Melbourne, Australia time

Location: Mezzanine Level, "Morgans at 401"
401 Collins Street, Melbourne, Victoria 3000
Australia

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THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008
IS AVAILABLE ON MDL's WEBSITE www.mineraldeposits.com.au

Important notice

This explanatory statement is an explanation of, and contains information about, the resolutions to be considered at the forthcoming annual general and special meeting. It is given to MDL's shareholders to help them determine how to vote on the resolutions set out in the accompanying notice of annual general and special meeting.

Shareholders should read this explanatory statement in full. This explanatory statement forms part of the accompanying notice of meeting and should be read with the notice of meeting.

If you are in doubt about what to do in relation to the meeting, you should consult your financial or other professional adviser.

As of 1 July 2008, Mineral Deposits Limited is a Designated Foreign Issuer as such term is defined by the Canadian Securities Administrators' National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*. Mineral Deposits Limited is subject to the foreign regulatory requirements of the ASX and ASIC.

This explanatory statement is dated 20 October 2008.

Explanatory statement and Notice of annual general and special meeting

Mineral Deposits Limited ABN 19 064 377 420

1. Introduction

The purpose of this Explanatory Statement is to provide shareholders with an explanation of the business of the meeting and the Resolutions proposed to be considered at the annual general and special meeting on 27 November 2008 and to assist shareholders in determining how they wish to vote on those Resolutions. This Explanatory Statement should be read in conjunction with the Notice of Meeting and forms part of the Notice of Meeting.

2. Business of the meeting – summary

2.1 To table the financial statements of the Company for the year ended 30 June 2008 and to give the members the opportunity to raise issues and ask questions generally concerning the financial statements or business operations of the Company.

2.2 To consider and vote on the following ordinary Resolutions:

- *Resolution 1 - to adopt the Remuneration Report for the year ended 30 June 2008;*
- *Resolution 2 - to elect Clever Gomes Da Fonseca as a director;*
- *Resolution 3 - to re-elect Martin Clyde Ackland as a director;*
- *Resolution 4 - to exempt the issue of securities under the MDL Employee Option Plan; and*
- *Resolution 5 – to increase the non-executive directors’ fee pool.*

2.3 To consider and vote on the following special Resolution:

- *Resolution 6 – to adopt a new clause 23 of the constitution.*

3. Why the meeting is being held

3.1 Financial Statements and Reports

The Board is required to lay before the meeting the financial statements, directors’ report and independent auditor’s report for the year ended 30 June 2008.

Copies of the financial statements and aforesaid reports are contained in the Annual Report for the year ended 30 June 2008 which will be despatched to shareholders who have elected to receive them in hard copy form.

A copy of each of the Annual Report, including the full financial report, and the auditor’s report will be tabled at the meeting and can be accessed at the Company’s website at www.mineraldeposits.com.au and www.sedar.com.

The Chairman of the meeting will take shareholders’ questions and comments about the management of the Company. The auditor of the Company will be available to take shareholders’ questions about the conduct of the audit, the preparation and content of the auditor’s report, the accounting policies adopted by the Company in relation to the preparation of the financial statements or the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the meeting, written questions to the auditor about the content of the auditor’s report or the conduct of the audit of the annual financial report to be considered at the meeting may be submitted not later than five business days before the meeting to:

The Company Secretary
Mineral Deposits Limited
Level 7, 530 Little Collins Street
Melbourne Victoria 3000

Facsimile: (+61 3) 9621 1460
E-mail: mel.drummond@mineraldeposits.com.au

Copies of any questions received will be made available at the meeting. The Chairman of the meeting will allow the auditor to answer written questions submitted to the auditor before the meeting. If the auditor has prepared a written answer to a question, the Chairman of the meeting may permit the auditor to table that written answer. A written answer tabled at the meeting will be made reasonably available to members as soon as practicable after the meeting.

Shareholders are not required to vote on any resolution in relation to the financial statements and reports (other than Resolution 1 being the adoption of the Remuneration Report for the year ended 30 June 2008).

3.2 Resolution 1 – Adoption of Remuneration Report for year ended 30 June 2008

The directors' report in the Annual Report for the year ended 30 June 2008 contains (in a separate and clearly defined section) a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the Managing Director, specified executives and the non-executive directors.

The *Corporations Act 2001* requires the Company to put to the vote at the annual general meeting a resolution that the Remuneration Report be adopted. The Company is also required to inform shareholders in the notice of the annual general meeting that a resolution to this effect will be put at the meeting.

Before calling for votes in relation to this resolution, the Chairman of the meeting will allow a reasonable opportunity for the members present to ask questions about, or make comments on, the Remuneration Report.

It should be noted that the vote on this resolution is advisory only and does not bind the directors or the Company. Accordingly, the Company will not be required to alter any arrangements detailed in the Remuneration Report, should the Report not be adopted. However, notwithstanding the strict legal position, the Board has determined that it will take the outcome of the vote into consideration when considering the remuneration policy of the Company.

The directors make no voting recommendation to shareholders in relation to Resolution 1. All of the directors entitled to vote on Resolution 1 intend to vote in favour of the Resolution.

3.3 Resolution 2 – Election of Clever Gomes Da Fonseca as a director

Under clause 56.1 of the Company's constitution, Clever Fonseca was appointed as an executive director on 1 April 2008. As a result of clause 56.2 of the constitution (which mirrors the requirements of listing rule 14.4 of ASX Limited), if Mr Fonseca is to continue to hold office as an executive director, he must be elected at the upcoming annual general and special meeting.

Mr Fonseca has more than 25 years of successful leadership and extensive experience in areas of business development, mining, global supply chain management, project management and international market development. From 1998 to 2006, Mr Fonseca held numerous senior positions, including Vice President Global Supply Chain in Millennium Chemicals do Brasil, one of the largest titanium dioxide producers in the world. Mr Fonseca joined the Company on 1 October 2007 as President and Chief Executive Officer of the Mineral Sands Division.

The directors (other than Mr Fonseca) recommend that you vote in favour of Resolution 2. Mr Fonseca makes no recommendation to shareholders. All of the directors entitled to vote on Resolution 2 intend to vote in favour of the Resolution.

3.4 Resolution 3 – Re-election of Martin Clyde Ackland as a director

Clause 58.1 of the Company's constitution provides that, at the close of each annual general meeting, one third of the directors (or, if their number is not a multiple of three, then the number nearest to but not more than one third of the directors) must retire from office. The directors retire by rotation, with the director(s) who have been the longest in office since being appointed or re-appointed being the director(s) who must retire in any year. If two or more directors were elected or appointed on the same day, they are required to agree among themselves or determine by lot which of them must retire. The constitution ensures that no director is able to

remain in office for longer than three years without facing re-election. Neither the Managing Director nor a director who stands for re-election under clause 56.2 is required to be taken into account in determining the number of directors who must retire by rotation under clause 58.1. Under clause 58.4, a retiring director is entitled to offer himself for re-election as a director at the annual general meeting which coincides with his retirement.

Mr Ackland is a qualified metallurgist and has spent over 30 years in the resources industry in a variety of roles that involved the creation of major resource groups from small capital bases. From 1997 to 2003, he was President and Chief Executive Officer of Southern Cross Resources Inc. (now SXR Uranium One Inc.). From 1987 to 1995, he was an executive director of Ticor Limited (formerly Minproc Holdings Limited) where he was responsible for the successful implementation of the Tiwest Project; the world's only mineral sands mine integrated with a synthetic rutile and TiO₂ pigment operation. His experience ranges from project development through financing and capital raising in both the project and corporate areas. Mr Ackland has prime responsibility for the project implementation and engineering aspects of the Company's projects.

The directors (other than Mr Ackland) recommend that you vote in favour of Resolution 3. Mr Ackland makes no recommendation to shareholders. All of the directors entitled to vote on Resolution 3 intend to vote in favour of the Resolution.

3.5 Resolution 4 – Exemption of issue of securities under the MDL Employee Option Plan

Rule 7.1 of the ASX Listing Rules restricts the number of shares and options a listed entity can issue without shareholder approval. Put simply, without the approval of holders of ordinary securities, an entity may not in any 12 month period issue, or agree to issue, a number of shares and/or options exceeding the number of fully paid ordinary shares on issue at the commencement of that period.

Rule 7.2 contains a number of exceptions to Rule 7.1. Rule 7.2 Exception 9(b) of the ASX Listing Rules provides that Rule 7.1 does not apply to an issue under an employee incentive scheme if within three years before the date of issue holders of ordinary securities have approved the issue of securities under the scheme as an exception to rule 7.1.

At a general meeting of the Company held on 31 December 2004, the shareholders passed a resolution in accordance with Exception 9(b) of Listing Rule 7.2. However, that exemption ceased to apply on 31 December 2007.

When approval is sought under this Rule, the notice of meeting must include the following:

- (a) a summary of the terms of the scheme, which follows:

Plan limit

The maximum number of options that may be issued under the Plan will correspond to the maximum number that may be issued in order that the Company may issue options to employees in Australia without the need to issue a prospectus (or other disclosure document), in compliance with the applicable ASIC class order. In essence, the number of options to be issued, when aggregated with all options issued under the Plan during the last five years not yet exercised, must not exceed 5% of the Company's then issued share capital.

	Total Number of Options Issued	Total Number of Additional Options Issuable
	5,235,000	18,945,962
Shares on issue: 483,619,234	1.08%	3.92%

Options issued only to Employees

No options may be issued to a person under the Plan unless the person is an employee (as defined in the Plan) as at the date on which the Board grants the option, or the Board determines otherwise under its discretionary powers *inter alia* in relation to amendment of the Plan. The directors of the Company, including the executive directors, are not eligible to participate in the Plan, it being for the benefit of employees (as defined).

There is no maximum number of options that may be issued to any person, subject to the above Plan limit. The maximum number of options that could be issued to insiders under the Plan is 20,945,962 at the date hereof.

Operation of the Plan

The Plan operates according to the Rules, as amended from time to time, which bind the Company and each participant who holds options issued under the Plan.

Offers

Subject to the Rules, the Board may from time to time make an offer to an eligible participant to apply for an issue of options under the Plan. The offer must be in writing and otherwise in accordance with the Plan.

Exercise Price

Subject to adjustment under the Plan in the event of a reorganisation of the capital of the Company, the exercise price of an option is to be determined by the Board and specified in the written offer to an eligible participant.

Options under the Plan are offered and granted for nil consideration and are unlisted. The exercise price determined by the Directors will not be lower than the market price of the Company's shares at the time the option is granted.

Consideration for issue of options

Unless the Board decides otherwise, options will be issued solely in consideration of the services that are expected to be provided by an eligible participant to or for the benefit of the Company and its subsidiaries, and no monetary or other consideration will be payable for the issue of an option.

Entitlement to underlying shares

Subject to the Rules, each option confers on its holder the entitlement to subscribe for and be issued one fully paid ordinary share on payment of the exercise price.

No quotation of options

The Company will not seek official quotation of options issued under the Plan.

Vesting conditions

Conditions to be satisfied before options can be exercised may be determined by the Board and specified in the written offer to an eligible participant. If no vesting conditions are set out in the offer, the options may be exercised at any time after the date of grant.

Term of options

The expiry date of an option as determined by the Board, or fixed by a method of calculation prescribed in the Offer by the Board, will not be later than five years from the date of issue.

Shares rank equally

Shares issued on the exercise of options rank equally with all existing ordinary shares on and from the date of issue in respect of all dividends and other entitlements which have a record date on or after the date of issue of those Shares.

Restriction on disposal of shares

Subject to applicable laws, the shares acquired on exercise of options issued under the Plan are subject to restriction on disposal as specified in the Plan.

Powers of the Board

The Board has power to:

- determine appropriate procedures for the administration of the Plan which are consistent with the Rules;
- resolve conclusively all questions of fact or interpretation arising in connection with the Plan;
- delegate to one or more persons for such period and on such conditions as it may determine the exercise of any of its powers and discretions under the Plan or the Rules;
- take and rely upon independent professional or expert advice in or in relation to the exercise of any of its powers or discretions under the Rules; and
- subject to the ASX listing rules, determine special terms and conditions, in addition to those set out in the Rules, to apply to participants who are employed and/or resident in and/or who are citizens of, countries other than Australia.

Rights of participants

The Options are not freely transferable and if:

- (i) the participant ceases to be an Employee for any reason whatsoever except by reason of death, the Options which the holder is entitled to exercise at that time are exercisable within 60 days and any Options not exercised during that period shall lapse;
- (ii) the participant ceases to be an Employee by reason of death, the Options which the holder is entitled to exercise at that time are exercisable within 12 months by the legal personal representative of the holder and any Options not exercised during that period shall lapse; and
- (iii) a takeover bid within the meaning of the Corporations Act is made for the Company and the bidder becomes entitled to become the registered holder of at least 90% of the ordinary shares on issue during the bid period, the Options which the holder is entitled to exercise at that time are exercisable by the end of the bid period and any Options not exercised by that date shall lapse.

Assignment of Options

Options are not transferable or assignable, except with the prior written approval of the Board.

Suspension, termination or amendment of the Rules

Except where, as a result, certain changes may be made to the terms of options previously issued under the Plan, the Board may at any time suspend, terminate or amend any of the Rules without shareholder approval.

- (b) the number of securities issued under the scheme since the last approval

The Company has issued 5,600,000 options under the scheme since the last approval on 31 December 2004. As at the date of this Explanatory Statement, 5,235,000 of these options remain on issue, 165,000 having been exercised (and thus converted into ordinary shares) and 200,000 having lapsed when the employment of their holders ceased.

- (c) a voting exclusion statement

A voting exclusion statement is not required because no director is permitted to participate in the Plan. Any other insiders, also shareholders, would be excluded from voting on any motion in relation to the Plan which, if adopted, could benefit them.

The directors of the Company recommend that you vote in favour of Resolution 4.

3.6 Resolution 5 – Increase in non-executive directors’ fee pool

The proposal before the meeting is to increase the maximum aggregate amount payable to non-executive directors as fees for their services as directors by \$350,000 to \$500,000.

The current limit of \$150,000 has not been increased since it was fixed in January 1997.

The fee pool covers all fees for services as a non-executive director including committee fees and superannuation contributions. The Company does not pay any benefit in connection with a non-executive director’s retirement from office other than superannuation contributions.

The Board has sought independent external advice on the appropriate level of the non-executive directors’ fee pool. An increase in the fee pool will provide scope to appoint additional suitably qualified and experienced non-executive directors and pay fees which are consistent with market benchmarks. The Board considers that a fee pool of \$500,000 is appropriate for a company the size and at the stage of development of MDL, is consistent with the fee pool of companies of comparable size and development and will help enable the Company to attract and retain high calibre non-executive directors. **Increasing the fee pool available does not mean the whole amount will be used immediately.**

Given their interest in the subject matter of this resolution, the directors of the Company make no voting recommendation to you in relation to Resolution 5.

3.7 Resolution 6 – Adoption of new clause 23 of the constitution

Summary of proposal

A proportional takeover bid occurs when a bidder makes an offer to acquire a proportion of the total number of issued shares in the capital of the Company by acquiring the same percentage of each shareholder’s shares.

The Corporations Act 2001 provides that a company can alter its constitution by inserting provisions which prohibit the registration of a transfer of shares resulting from a proportional takeover bid unless the bid is approved by shareholders in general meeting.

A new constitution of the Company was adopted by special resolution at a general meeting of the Company held on 31 December 2004. That new constitution included clause 23 entitled “Proportional Takeover Bid”. Prior to that, the constitution of the Company did not include proportional takeover provisions. Clause 23.8 of the new constitution provided that clause 23 would automatically cease to have effect three years after the date of its adoption. The proportional takeover provisions were not renewed by the shareholders before they ceased to have effect on 31 December 2007. As a result of section 648G(3) of the Corporations Act 2001, the proportional takeover provisions were automatically omitted from the constitution on 31 December 2007.

The Company considers proportional takeover provisions to be desirable and accordingly seeks, subject to shareholder approval by special resolution, to reinstate clause 23 of its constitution. If the Resolution is approved, the new clause 23 will be the same as the like clause adopted on 31 December 2004, save only that the proposed new clause 23.8 has been modified to avoid any uncertainty about the duration of these provisions in the event of their future renewal or renewals.

Legal and Regulatory Requirements

Section 648G(5) of the Corporations Act 2001 provides that, with every notice that specifies the intention to propose a resolution to alter a company’s constitution by inserting proportional takeover provisions and is sent to a person who is entitled to vote on the resolution, the company must send a statement that:

- explains the effect of the proposed provisions; and

- explains the reasons for proposing the resolution and sets out the factual matters and principles underlying those reasons;
- states whether, as at the date on which the statement is prepared, any of the directors of the company is aware of a proposal by a person to acquire, or to increase the extent of, a substantial interest in the company and, if so, explains the extent (if any) to which the proposal has influenced the decision to propose the resolution; and
- discusses both the potential advantages, and the potential disadvantages, of the proposed provisions for the directors and the company's members.

Effect of proportional takeover provisions

Clause 23 of the constitution will require the directors to convene a meeting of shareholders to vote on a resolution to approve the bid if a proportional takeover bid is made. The meeting will have to be held, and the resolution voted on, before the approving resolution deadline which is defined in the Corporations Act 2001 as the 14th day before the last day of the bid period. The clause will not apply to full takeover offers.

Clause 23 will provide that, for a resolution to be approved, it must be passed by a majority of votes at the meeting, excluding votes by the bidder and its associates.

If no resolution to approve the bid has been voted on in accordance with clause 23 as at the end of the 14th day before the end of the bid period, a resolution approving the bid will be deemed by the Corporations Act 2001 to have been passed, thereby allowing the bid to proceed.

If a resolution to approve the bid is rejected, binding acceptances will be required to be rescinded, and all unaccepted offers and offers failing to result in binding contracts will be taken to be withdrawn.

If the resolution is approved, the relevant transfers of shares will be registered, provided they comply with the other provisions of the constitution and otherwise with the Corporations Act 2001.

Reasons for proposing insertion of clause 23

The directors consider that shareholders should have the opportunity to vote on a proposed proportional takeover bid. A proportional takeover bid for the Company may enable control of the Company to be acquired by a party holding less than a majority interest and without shareholders having the opportunity to dispose of all of their shares. This may mean that shareholders could be at risk of being left as part of a minority interest in the Company. Clause 23, if adopted, will enable shareholders to decide whether a proportional takeover bid should be permitted to proceed.

Present Acquisition Proposals

At the date of this Explanatory Statement, no director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential Advantages and Disadvantages of adoption of clause 23

The directors consider that there are no such advantages or disadvantages for them as they remain free to make a recommendation on whether a proportional takeover bid should be accepted. The adoption of the clause will ensure that all members continue to have an opportunity to study a proportional takeover bid, if made, and then attend or be represented by proxy at a meeting called specifically to vote on the proposal. A majority of shares voted at the meeting, excluding the shares of the bidder and its associates, will be required for the resolution to be passed, following which shareholders will be able to decide whether to accept the bid which may result in a change of control of the Company.

This will enable shareholders to prevent a proportional takeover bid proceeding if they believe that control of the Company should not be permitted to pass under the bid and, accordingly, the terms of any future proportional takeover bid are likely to be structured in a manner that is attractive to a majority of shareholders.

It may be argued that the adoption of the clause reduces the possibility of a successful proportional takeover bid and that, as a result, proportional takeover bids for the Company will be discouraged. This, in turn, may reduce opportunities that shareholders may have to sell some of their shares at an attractive price to persons seeking control of the Company and may reduce any 'takeover speculation' element in the Company's share price. It may also be said that the provisions constitute an additional restriction on the ability of individual shareholders to deal freely with their shares.

The directors consider that the adoption of clause 23 of the constitution is in the interests of shareholders as it allows the majority of shareholders to determine whether a proportional takeover bid should proceed.

The directors recommend that you vote in favour of Resolution 6.

4. Recommendation

If shareholders cannot attend the meeting they are urged to complete the proxy form and return it (see proxy form for details) as soon as possible and in any event by 10.30am Melbourne, Australia time on 25 November 2008.

Dated: 20 October 2008

Notice of annual general and special meeting

Mineral Deposits Limited ABN 19 064 377 420

The annual general and special meeting of the members of Mineral Deposits Limited will be held:

- on 27 November 2008
- at 10.30am Melbourne, Australia time
- at Mezzanine Level, “Morgans at 401”, 401 Collins Street, Melbourne, Victoria 3000, Australia

Business

A. Financial statements and reports

To table the following statements and reports and provide members with the opportunity to raise any issues or ask questions generally of the directors concerning those financial statements or the business operations of the Company:

- (a) the financial report of the Company and of the consolidated entities for the year ended 30 June 2008;
- (b) the directors’ report; and
- (c) independent auditor’s report thereon.

B. Ordinary resolutions

To consider and, if thought fit, to pass the following resolutions each as an ordinary resolution:

Resolution 1: Non-binding resolution to adopt Remuneration Report

“**THAT** the Remuneration Report for the year ended 30 June 2008 be adopted.”

It should be noted that the vote on this Resolution 1 is advisory only and does not bind the directors or the Company.

Resolution 2: Election of director

“**THAT** Clever Gomes Da Fonseca, a director appointed on 1 April 2008 under clause 56.1 of the Company’s Constitution and as such obliged to stand down at the meeting, being eligible for election and having signified his candidature for the office, be elected as a director of the Company.”

Resolution 3: Re-election of director

“**THAT** Martin Clyde Ackland, a director retiring by rotation in accordance with clause 58 of the Company’s Constitution, being eligible for re-election and having signified his candidature for the office, be re-elected as a director of the Company.”

Resolution 4: Exemption of issue of securities under scheme

“**THAT** for the purposes of Rule 7.2 (Exception 9(b)) of the Listing Rules of ASX Limited, and all other purposes, approval is given to the issue of securities of the Company under the MDL Employee Option Plan as an exception to Rule 7.1 of those Listing Rules.”

Resolution 5: Increase in non-executive directors’ fee pool

“**THAT**, in accordance with clause 61.1 of the constitution of the Company, the maximum aggregate sum payable by the Company to non-executive directors of the Company as fees for their services as directors be increased by \$350,000 to \$500,000.”

Voting Restrictions

For the purposes of this resolution 5, the Company will disregard any votes cast by:

- (a) any director of the Company; and
- (b) any associate of any director of the Company.

However, the Company need not disregard a vote in respect of this resolution 5 if:

- (c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (d) it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

C. Special resolution

To consider and, if thought fit, to pass the following resolution as a special resolution:

Resolution 6: Adoption of a new clause 23 of the constitution

“**THAT** a new clause 23 of the Company’s constitution be adopted as follows:

23. *Proportional Takeover Bid*

- 23.1 *Registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under a Proportional Takeover Bid is prohibited unless and until an Approving Resolution approving the Proportional Takeover Bid is passed.*
- 23.2 *A person (other than the Bidder or an associate of the Bidder) who, as at the end of the day on which the first offer under the Proportional Takeover Bid was made, held Bid Class Shares is entitled to:*
 - (a) *vote on a Approving Resolution; and*
 - (b) *has one vote for each Bid Class Share held.*
- 23.3 *Where offers have been made under a Proportional Takeover Bid, the directors must ensure that an Approving Resolution is voted on at a meeting of the persons described in clause 23.2 before the Approving Resolution Deadline.*
- 23.4 *An Approving Resolution is passed if more than 50% of the votes cast on the resolution are cast in favour of the resolution, and otherwise is taken to have been rejected.*
- 23.5 *The provisions of this Constitution that apply to a general meeting of the Company apply, with such modifications as the circumstances require, to a meeting that is called under this clause as if the meeting was a general meeting of the Company.*
- 23.6 *If an Approving Resolution to approve the Proportional Takeover Bid is voted on in accordance with this clause before the Approving Resolution Deadline, the Company must, on or before the Approving Resolution Deadline, give:*
 - (a) *the Bidder; and*
 - (b) *each Relevant Financial Market,**a written notice stating that an Approving Resolution to approve the Proportional Takeover Bid has been voted on and whether it was passed or rejected.*
- 23.7 *If no resolution has been voted on in accordance with this clause as at the end of the day before the Approving Resolution Deadline, a resolution to approve the Proportional Takeover Bid is taken, for the purposes of this clause, to have been passed in accordance with this clause.*
- 23.8 *This clause 23 will, unless renewed in accordance with the Corporations Act 2001 (Cth), automatically cease to have effect three years after the date of its adoption or renewal or last renewal (as the case may require).*

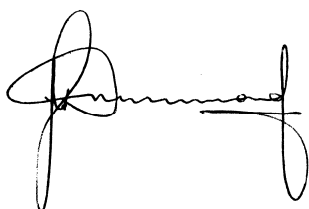
Voting:

MDL has determined, in accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), that MDL's shares quoted on the Australian Securities Exchange at 7.00pm Melbourne, Australia time on 25 November 2008 are taken, for the purposes of the general meeting, to be held by the persons who held them at that time. Accordingly, those persons are entitled to attend and vote (if not excluded) at the meeting. MDL has fixed 5.00pm (Toronto time) on 24 October 2008 as the record date for determining the Shareholders of the Company on the Canadian register entitled to receive this Notice of annual general and special meeting.

If you are a beneficial shareholder of MDL and receive these materials through your broker or another intermediary, please complete and return the form of proxy in accordance with the instructions provided by your broker or intermediary.

Dated: 20 October 2008

By order of the Board



.....
Melvyn J S Drummond
Secretary

Management information circular

forming part of the Notice of meeting for the annual general and special meeting to be held on 27 November 2008

Mineral Deposits Limited ABN 19 064 377 420

Mineral Deposits Limited (“MDL” or the “Company”) was a Designated Foreign Issuer in Canada as at 1 July 2008 as such term is defined by the Canadian Securities Administrators’ National Instrument 71-102 *Continuous Disclosure and other Exemption Relating to Foreign Issuers* (“NI 71-102”) and is subject to the foreign regulatory requirements of the ASX and ASIC. Although this classification exempts the Company from complying with the Management information circular (“Circular”) requirements of National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administration provided that it complies with the relevant provisions of NI 71-102, the Company elected to prepare this Circular given its listing on the Toronto Stock Exchange (“TSX”) in December 2007 and the acquisition by TSX-listed Red Back Mining Inc. of a 12.84% stake in the Company on 24 September 2008.

Purpose of solicitation

This Circular is furnished in connection with the solicitation of proxies by the management of the Company for use at the annual general and special meeting (the “Meeting”) of the holders (“Shareholders”) of ordinary shares of the Company (“Ordinary Shares”). The Meeting will be held on 27 November 2008 at 10.30am (Melbourne time) for the purposes set forth in the Notice accompanying the preceding Explanatory Statement and this Circular.

Solicitation of proxies will be primarily by mail but may also be by telephone, facsimile or in person by directors, officers and employees of the Company who will not be additionally compensated therefor. Brokers, nominees or other persons holding Ordinary Shares in their names for others shall be reimbursed for their reasonable charges and expenses in forwarding proxies and proxy material to the beneficial owners of such shares. The costs of any soliciting will be borne by the Company.

Appointment of proxies

Enclosed herewith is a form of proxy for use at the Meeting. **A Shareholder submitting a proxy may appoint one proxy if the shareholder is only entitled to one vote; or one or two proxies if the shareholder is entitled to more than one vote. A proxy need not be a Shareholder. A Shareholder may appoint a proxy other than the person designated by default in the enclosed form of proxy by inserting the full name of the desired person in the blank space provided for that purpose on the form of proxy.**

If a Shareholder appoints one proxy, that proxy may vote on a show of hands. If a Shareholder appoints two proxies, neither proxy may vote on a show of hands. Where the Shareholder appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not do so, each proxy may exercise one-half of the votes, and any fraction of votes will be disregarded.

A proxy will not be valid for the Meeting unless it is signed by the Shareholder or the Shareholder’s attorney duly authorised in writing or, if the Shareholder is a corporation, executed by a duly authorised officer or officers in accordance with the instructions attached on the enclosed form of proxy. The proxy to be acted upon completed in accordance with the instructions on the form must be delivered:

- (a) in respect of Shareholders registered on the Company’s Australian register, together with the power of attorney or other authority (if any) under which it is signed (or a certified copy thereof) prior to 10.30am Melbourne time on 25 November 2008 by:
 - Post in the reply paid envelope provided
 - Hand delivery to: Mineral Deposits Limited C/- Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street Abbotsford, Victoria 3067, Australia or
 - Fax to: Mineral Deposits Limited C/- Computershare Investor Services Pty Limited on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

- (b) in respect of Shareholders registered on the Company's Canadian share register as of the record date 24 October 2008 ("Record Date"), together with the power of attorney or other authority (if any) under which it is signed (or certified copy thereof) prior to 10.00am Toronto time on 24 November 2008 by:
- Post in the reply paid envelope provided
 - Hand delivery to: Mineral Deposits Limited C/- Computershare Investor Services Inc., 100 University Ave, 9th Floor, Toronto, Ontario, Canada M5J 2Y1
 - Fax to: +1-866-249-7775 or Local 416-263-9524
- (c) Beneficial Shareholders as of the Record Date in Canada with shares held through the Canadian register who wish to vote by proxy must follow voting instructions provided by Broadridge Investor Communications Solutions ("Broadridge") through whom they will receive material relating to the meeting.

Revocation of proxies

A Shareholder executing and delivering a proxy has the power to revoke it. However, such revocation will not be effective unless an instrument in writing evidencing the revocation, and executed by the Shareholder or by his or her attorney authorised in writing, is received by the Company before the start or resumption of the meeting at which the proxy votes.

Voting of proxies

A proxy may decide whether to vote on any motion, except where the proxy is required by law or MDL's constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with that direction. If a proxy is not directed how to vote on an item of business, a proxy may vote as he or she thinks fit.

If a Shareholder appoints the Chairman of the meeting as the Shareholder's proxy and does not specify how the Chairman is to vote on an item of business, the Chairman will vote, as proxy for that Shareholder, in favour of the item on a show of hands or a poll. However, if the Chairman is appointed as proxy in default of another appointment, the Chairman will not vote in favour of Resolution 5 (Increase in non-executive directors' fee pool) unless the Shareholder has marked the box concerning this matter on the proxy form.

Except as aforesaid in relation to the Chairman, the Chairman of the annual general and special meeting, the Company Secretary or any directors of the Company intend to vote all undirected proxies from Shareholders (who are eligible to vote in favour of the Resolutions) in favour of the Resolutions to be voted on at the annual general and special meeting.. The Chairman, the Company Secretary or any directors will not vote any undirected proxies from Shareholders ineligible to vote in favour of the Resolutions.

Voting by corporate representative

Corporate Shareholders wishing to vote by corporate representative should obtain an appointment of corporate representative form from the Share Registry and complete and sign the form in accordance with the corporate Shareholder's constitution or by a duly authorised attorney.

The corporate representative form and the power of attorney or other authority (if any) under which it is signed (or a certified copy thereof) must be received by MDL before the start or resumption of the meeting at which the representative is to vote, by:

- Post in the reply paid envelope provided
- Hand delivery to: Mineral Deposits Limited C/- Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street Abbotsford, Victoria 3067, Australia or
- Fax to: Mineral Deposits Limited C/- Computershare Investor Services Pty Limited on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

Canadian corporate shareholders which are registered shareholders on the Company's Canadian shareholder register should send their materials by:

- Post in the reply paid envelope provided
- Hand delivery to: Mineral Deposits Limited C/- Computershare Investor Services Inc., 100 University Ave, 9th Floor, Toronto, Ontario, Canada M5J 2Y1
- Fax to: +1-866-249-7775 or Local 416-263-9524

Canadian corporate shareholders receiving materials from Broadridge should send materials and follow voting instructions provided by Broadridge.

If you require an additional proxy form, Computershare will supply it on request.

Advice to beneficial holders of ordinary shares

The Information set forth in this section is of significant importance to many Shareholders of the Company, as a substantial number of Shareholders do not hold Ordinary Shares in their own name. Shareholders who do not hold their Ordinary Shares in their own name (referred to in this Management Information Circular as "Beneficial Holders") should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Shares in the capital of the Company can be recognised and acted upon at the Meeting. If Ordinary Shares are listed in an account statement provided to a Shareholder by a broker, then, in almost all cases, those Ordinary Shares will not be registered in the Shareholder's name on the records of the Company. Such Shares will more likely be registered under the names of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for the Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). Ordinary Shares held by brokers, agents or nominees can only be voted (for or against resolutions) upon the written instructions of the Beneficial Holder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Ordinary Shares for the broker's clients. **Therefore, Beneficial Holders should ensure that instructions respecting the voting of their Ordinary Shares are communicated to the appropriate person by the appropriate time.**

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Holders in advance of Shareholders' meetings. Each intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Holders to ensure that their Ordinary Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Holder by its broker (or the agent of the broker) is similar to the form of proxy provided to registered Shareholders by the Company. However, its purpose is limited to instructing the registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Holder. The majority of brokers in Canada now delegate responsibility for obtaining instructions from clients to Broadridge. Broadridge typically asks Beneficial Holders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Ordinary Shares to be represented at the Meeting. **A Beneficial Holder receiving a Broadridge proxy cannot use that proxy to vote Ordinary Shares directly at the Meeting. The Broadridge proxy must be returned to Broadridge well in advance of the Meeting in order to have the Ordinary Shares voted.**

Canadian shareholders receiving materials from Broadridge should follow voting instructions provided by Broadridge.

Information concerning the company

Voting Shares and Record Date

As at the date of this Circular, 483,619,234 Ordinary Shares were issued and outstanding as fully paid.

The directors of the Company have fixed 5.00pm (Toronto time) on 24 October 2008 as the Record Date for determining the Shareholders of the Company on the **Canadian** register entitled to receive the Notice of Meeting; and 7.00pm (Melbourne time) on 25 November 2008 as the Record Date for determining the shareholders of the Company on the **Australian** register entitled to vote at the Meeting.

Principal Holders of Shares

To the knowledge of the directors and executive officers of the Company, the following table sets forth, as at the date of this Circular, the only person or company who beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the issued and outstanding Ordinary Shares:

Name	Total Number of Shares Owned, Controlled or Directed	Percentage of Voting Shares
Red Back Mining Inc.	62,090,407	12.84

Executive Compensation

The following table provides information for the three most recently completed financial years ended 30 June regarding compensation paid to or earned by the Company's Managing Director, the Company's Executive Chairman, the Company's Executive Directors, the Company's Company Secretary and General Manager Corporate, and the Company's Chief Financial Officer (collectively, the "Named Executive Officers"). For the financial year ended 30 June 2008, the Company did not have any other executive officers who earned greater than C\$150,000 in salary and bonus.

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation			All Other Compensation (Refer Note 1) (\$)
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Awards	Payouts		
					Securities Under Options Granted (No.)	Shares or Units Subject to Resale Restrictions (\$)	LTIP Payouts (\$)	
Jeffrey W Williams Managing Director	2008	382,552	N/A	45,014	1,500,000	N/A	N/A	33,820
	2007	311,962	N/A	44,410	N/A	N/A	N/A	96,000
	2006	297,029	N/A	42,671	N/A	N/A	N/A	38,374
Nicholas J Limb Executive Chairman	2008	382,552	N/A	7,919	1,500,000	N/A	N/A	33,820
	2007	307,916	N/A	6,811	N/A	N/A	N/A	100,000
	2006	235,403	N/A	6,539	N/A	N/A	N/A	100,000
Martin C Ackland (i) Executive Director	2008	67,800	N/A	-	1,500,000	N/A	N/A	5,496
	2007	64,993	N/A	-	N/A	N/A	N/A	5,367
	2006	15,000	N/A	-	N/A	N/A	N/A	1,350
Clever G Da Fonseca Executive Director	2008	237,248	N/A	5,367	1,000,000	N/A	N/A	-
	2007	N/A	N/A	-	N/A	N/A	N/A	-
	2006	N/A	N/A	-	N/A	N/A	N/A	-
Melvyn J S Drummond Company Secretary and General Manager Corporate	2008	305,855	N/A	15,644	250,000	N/A	N/A	26,817
	2007	155,984	N/A	7,543	N/A	N/A	N/A	101,978
	2006	137,171	N/A	9,974	N/A	N/A	N/A	20,465
John A Dorward Chief Financial Officer	2008	210,470	N/A	17,885	250,000	N/A	N/A	18,942
	2007	123,307	N/A	13,591	N/A	N/A	N/A	16,117
	2006	N/A	N/A	-	N/A	N/A	N/A	-

(i) Amounts of \$159,996, \$285,000 and \$285,000 were also paid to Mineral Properties Pty Ltd, an entity associated with Mr Martin C Ackland, in the years 2006, 2007 and 2008 respectively.

Note 1 – All other compensation comprises:

		Superannuation Contributions ⁽¹⁾ (\$)	Non-Cash Benefits		Total (\$)
			Vehicle Allowance (\$)	Car Parking (\$)	
Jeffrey W Williams	2008	33,820	36,798	8,216	78,834
	2007	96,000	37,269	7,141	140,410
	2006	38,374	35,704	6,967	81,045
Nicholas J Limb	2008	33,820	-	7,919	41,739
	2007	100,000	-	6,811	106,811
	2006	100,000	-	6,539	106,539
Martin C Ackland	2008	-	-	-	-
	2007	5,367	-	-	5,367
	2006	1,350	-	-	1,350
Melvyn J S Drummond	2008	26,817	7,428	8,216	15,644
	2007	101,978	-	7,543	109,521
	2006	20,465	2,852	7,122	30,439
John A Dorward	2008	18,942	9,966	7,919	36,827
	2007	16,117	9,253	4,338	29,708
	2006	-	-	-	-

(1) The Australian equivalent of a Defined Contribution Pension Fund external to and independent of the Company with the current statutory minimum contribution (Superannuation Guarantee) being 9% per annum.

Options Granted During the Most Recently Completed Financial Year

The following table discloses individual grants of options to purchase or acquire securities of the Company made during the most recently completed financial year to each Named Executive Officer.

Name	Securities Under Options Granted (No.)	Percentage of Total Options Granted to Employees in the Financial Year (%)	Exercise Price (\$)	Market Value of Shares Underlying Options on the Date of Grant (per share) (\$)	Expiration Date
Nicholas J Limb (i)	1,500,000	40.1	1.60	1,950,000	29 November 2012
Jeffrey W Williams(i)	1,500,000	38.1	1.60	1,950,000	29 November 2012
Martin C Ackland(i)	1,500,000	79.5	1.60	1,950,000	29 November 2012
Clever G Da Fonseca(ii)	1,000,000	61.1	1.60	1,300,000	4 December 2012
Melvyn J S Drummond(ii)	250,000	17.7	1.60	370,000	18 July 2012
John A Dorward (ii)	250,000	23.3	1.60	370,000	18 July 2012

(i) Under ASX listing Rule 10.11, a listed company must obtain the approval of its shareholders before it can issue securities (defined as a share or an option) to a related party or person whose relationship with the Company or a related party is in ASX's opinion, such that shareholder approval should be obtained. Shareholders voted in favour of the issue of options at the annual general meeting held on 29 November 2007.

(ii) Options granted under the MDL Employee Option Plan. The MDL Employee Option Plan was approved by shareholders on 31 December 2004.

Aggregated Options Exercised During the Financial Year Ended 30 June 2008 and Year-End Option Values

The following table discloses all options exercised during the most recently completed financial year by each Named Executive Officer and the financial year-end value of unexercised options on an aggregated basis.

Name	Securities Acquired on Exercise (No.)	Aggregate Value Realised (\$)	Unexercised Options at 30 June 2008		Value of Unexercised in-the-Money Options at 30 June 2008 ⁽¹⁾	
			Exercisable (No.)	Unexercisable (No.)	Exercisable (\$)	Unexercisable (\$)
Nicholas J Limb	N/A	N/A	2,500,000	1,500,000	1,225,000	-
Jeffrey W Williams	N/A	N/A	2,500,000	1,500,000	1,225,000	-
Martin C Ackland	N/A	N/A	1,000,000	1,500,000	570,000	-
Clever G Da Fonseca	N/A	N/A	-	1,000,000	-	-
Melvyn J S Drummond	N/A	N/A	500,000	250,000	85,000	-
John A Dorward	N/A	N/A	-	250,000	-	-

- (1) Calculated using the closing price of the ordinary shares on the ASX on 30 June 2008 of \$0.82 (2007 - \$1.33) less the exercise price of in-the-money stock options. These options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Shares on the date of exercise.

No options were issued to directors or executive officers subsequent to 30 June 2008.

Termination of Employment, Change in Responsibilities and Employment Contracts

The employment conditions of the executive chairman, the managing director, the executive directors and key executives are formalised in contracts of employment. The executive chairman, managing director, executive directors and certain senior executives are employed under fixed period contracts (two years), the earliest of which commenced on 9 September 2000 and each of which continues to roll forward for 12 months every anniversary date.

The employment contracts in force incorporate a 24 month termination period. The Company may terminate the executive chairman's and managing director's employment contract without cause by providing 24 months' written notice or by making payment based on their annual salary component in lieu of notice. Termination payments are not payable on resignation other than in circumstances prescribed in individual contracts of employment and never on dismissal for serious misconduct. In the instance of serious misconduct, the Company can terminate employment at any time.

In the case of one executive director, performance conditions for the payment of an annual bonus were set in his employment contract. These are not disclosed as the Company considers them to be commercially sensitive.

Composition of the Compensation Committee

The remuneration committee is comprised of three members, Dr D Isles, Dr R Danchin and Mr O Lennox-King, all of whom are independent, non-executive directors of the Company. Dr D Isles, who is not the chairman of the Board, is the chairman of the remuneration committee.

The Company's policy for determining the nature and amount of compensation of Board members of the Company is as follows:

(a) Non-Executive Directors

The fees payable to individual non-executive directors have been determined by the Board within the aggregate amount approved by shareholders. The current approved aggregate remuneration is \$150,000 per annum excluding share based payments. An increase in the overall sum at the upcoming annual general and special meeting is contemplated at the date of this report.

(b) Executive Directors

The remuneration levels of executive directors are determined by the executive chairman after taking into consideration those that apply to similar positions in comparable companies in Australia and the possible grant of options in the Company to them subject to prior shareholder approval as required by the Listing Rules of ASX on the recommendation of the managing director and unanimous resolution to this effect by the Board. The executive chairman utilises industry-wide data gathered by independent remuneration experts as his point of reference. The Board uses an identical approach to determine the remuneration levels of executive staff.

Standard Compensation Arrangements

The compensation of the Executive Chairman, Managing Director and two executive directors is set out in the Summary Compensation Table above. For the financial year ended 30 June 2008, the three non-executive directors of the Company, Dr D Isles, Dr R Danchin and Mr O Lennox-King, were paid \$37,500, \$75,000 and \$40,833 respectively. In addition, an entity associated with Dr D Isles was paid \$58,175 in relation to the provision of geological services for the year ended 30 June 2008.

Other Arrangements

Other than as set forth herein, none of the directors of the Company were compensated in their capacity as a director by the Company during the financial year ended 30 June 2008 pursuant to any other arrangement or in lieu of any standard compensation arrangement.

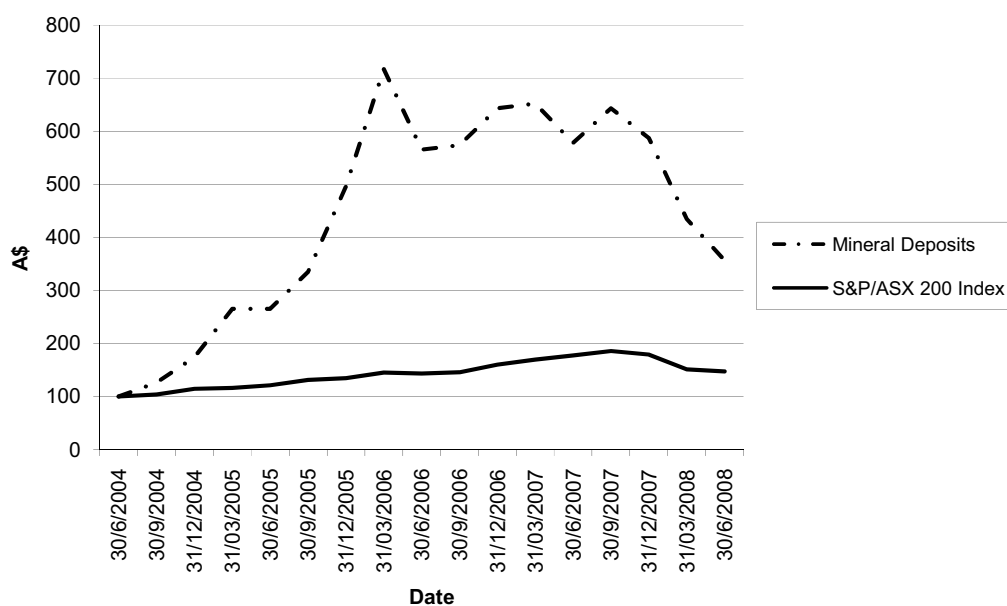
Compensation for Services

Other than as set forth below, none of the directors of the Company were compensated for services as consultants or experts during the financial year ended 30 June 2008.

- An amount of \$285,000 was paid to Mineral Properties Pty Ltd, of which Mr M C Ackland is and continues to be a director and beneficial owner, for the provision of professional services to the consolidated entity in relation to the Company's Senegalese projects.
- An amount of \$58,175 was paid to The Goongarrie Trust of which Dr D J Isles is trustee and a beneficiary for the provision of geological services.

Performance Graph

The following graph compares, assuming an initial investment of \$100, the yearly percentage change in the Company's cumulative total shareholder return on its Shares against the cumulative total shareholder return of the S&P/ASX 200 Index for the Company's completed financial years from 30 June 2004.



	30 June 2004	30 June 2005	30 June 2006	30 June 2007	30 June 2008
Mineral Deposits Limited	100	265.22	562.22	578.26	356.52
S&P/ASX 200 Index Total Return	100	121.08	143.62	177.61	147.62

Securities Authorised for Issuance Under Equity Compensation Plans

The following table sets out information in respect of compensation plans under which equity securities of the Company are authorised for issuance as at 30 June 2008.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders (i)	5,235,000	1.52	18,945,962
Equity compensation plans not approved by securityholders	-	-	-
Total	5,235,000	1.52	18,945,962

(i) See Explanatory Statement relating to the annual general and special meeting of shareholders to be held on 27 November 2008 for a summary of the terms of the MDL Option Plan. Such summary is incorporated by reference into this Circular.

Pursuant to shareholder approval, the total number of outstanding options otherwise held directly, indirectly or beneficially by company directors was 13,000,000.

The issue of options to directors requires prior approval of the Shareholders.

Indebtedness of Directors and Executive Officers

As at the date of this Circular, there is no indebtedness owing to MDL by any of its directors or executive officers or former directors or executive officers or any associate of such person, including in respect of indebtedness to others where the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement provided by MDL or a subsidiary of MDL.

Statement of Corporate Governance Practices

MDL seeks to achieve high standards of corporate governance and has designed its corporate governance practices to be consistent with this objective. As an Australian listed public company, the Board has adopted governance practices which are, to the maximum extent considered appropriate in the Company's present circumstances, in line with the ASX Corporate Governance Council's second edition of the Corporate Governance Principles and Recommendations.

Since the dual TSX listing, the Company is providing the disclosure required under National Instrument 58-101 of the Canada Securities Administrators – *Disclosure of Corporate Governance Practices* ("NI 58-101") on corporate governance. NI 58-101 also sets out a series of guidelines for effective corporate governance which addresses matters such as the constitution and independence of corporate boards, the function to be performed by boards and their committees and the effectiveness and education of board members.

Board of Directors

Composition

The Board of directors of the Company has set the number of directors at a minimum of three directors; and a maximum of 10 directors. The Board of the Company is currently comprised of seven directors, three of whom are independent, namely Messrs Isles, Danchin and Lennox-King. There are four executive directors, Mr Limb, the Executive Chairman, Mr Williams, the Managing Director and Messrs Ackland and Fonseca. The Chairman of the Board, Mr Limb, is employed in an executive capacity by the Company and is therefore not an independent director.

The Board is balanced in its composition with each current director bringing a range of complementary skills, experience and expertise to the Company. In the present circumstances of the Company, it is considered that the number of executive directors on the Board is justified. The Board will consider the appointment of further directors if it is felt that additional expertise is required in specific areas as projects underway evolve, when an outstanding candidate is identified or should it be required to do so by any regulatory agency or law.

The Board has adopted a number of measures to ensure that independent judgment is achieved and maintained in respect of its decision-making processes, which include the following:

- directors are entitled to seek independent professional advice at the Company's expense, subject to the prior approval of the Executive Chairman;
- the non-executive directors are encouraged to meet or, if not reasonably practicable in view of their place(s) of usual residence, confer by electronic means, at least once a year for private discussion of management issues; and
- directors having a conflict of interest in relation to a particular item of business must absent themselves from the Board meeting before commencement of discussion and the taking of a vote on the matter.

The Board is currently considering the appointment of one of its non-executive, independent directors as vice chairman of the Company. The vice chairman would have special responsibility for areas such as corporate governance, the application of best practice and risk mitigation.

Election of Directors

Each director of the Company will serve as a director in accordance with the following provisions. At the close of each annual general meeting, one-third of the directors or if their number is not a multiple of three, then the number nearest to but not more than one-third of the directors, must retire. The directors to retire at an annual general meeting are those directors who have served longest in office. Directors elected on the same day may agree among themselves or determine by lot which of them must retire.

In addition to the above, a director must retire from office at the conclusion of the third annual general meeting after the director was last elected or if the director has held office for three years without re-election, whichever is longer, even if his or her retirement results in more than one-third of all directors retiring from office.

The following table sets out the name of the nominee for re-election as a director of the Company and each director whose term of office as a director will continue after the Meeting, the municipality of residence, position held with the Company and principal occupation of each person, the period of time for which each has been a director of the Company, and the number of ordinary Shares of the Company or its subsidiary beneficially owned by each, directly or indirectly, or over which control or direction is exercised, as at the date hereof.

Name and Municipality of Residence	Position(s) with the Company	Principal Occupation	First Appointed as Director	Number of Ordinary Shares
Nicholas J Limb ⁽¹⁾ Victoria, Australia	Executive Chairman	Executive Chairman of MDL	20 April 1994	2,083,528
Jeffrey W Williams ⁽¹⁾ Victoria, Australia	Managing Director	Managing Director of MDL	3 January 1997	362,400
Martin C Ackland Queensland, Australia	Executive Director	Executive Director of MDL	16 July 2003	25,000
Clever G Da Fonseca Maryland, USA	Executive Director	President and Chief Executive Officer, Mineral Sands Division	1 April 2008	-
Robert V Danchin ⁽²⁾⁽³⁾ Victoria, Australia	Non-Executive Director	Non-Executive Director of MDL	9 February 2007	-
David J Isles ⁽²⁾⁽³⁾ Western Australia, Australia	Non-Executive Director	Non-Executive Director of and Technical Consultant to MDL	23 December 2002	137,000
Oliver Lennox-King ⁽²⁾⁽³⁾ Ontario, Canada	Non-Executive Director	Non-Executive Director of MDL, Chairman of Fronteer Development Group Inc.	29 November 2007	-

(1) *Member of the Disclosure Committee*

(2) *Member of the Audit Committee*

(3) *Member of the Remuneration Committee*

The principal occupations of each of the Company's directors within the past five years are disclosed in the brief biographies set forth below.

Nicholas Limb — Executive Chairman. Mr Limb is a qualified exploration geophysicist. His early career was spent in the Australian exploration industry with mining majors CRA Limited and BHP Limited. Subsequently, he worked for many years in stockbroking and investment banking, specialising in mining corporate finance. In 1994, he struck out on his own and developed gold miner New Hampton Goldfields Limited from an explorer to a large producer. New Hampton Goldfields Limited was taken over in 2000. During that time, he also developed a number of other interests in the resources industry.

Jeffrey Williams — Managing Director. Mr Williams has 16 years' experience as a professional mining engineer in Australia and seven years in the stockbroking industry. In the mining industry, his experience ranges from mine planning, underground management and feasibility study through to mine development. From 1972 to 1984, he held various positions with CRA Limited at Broken Hill in New South Wales. At the underground silver/lead/zinc mine, he gained his Mine Manager's Certificate and practical experience in mine planning and underground management. Following his Masters of Business Administration (MBA) programme in 1987, he played a major role as a Senior Project Engineer with North Limited. From 1989 to 1996, he spent seven years in stockbroking, specialising in gold mining research. Prior to joining MDL in 1997, he was Head of Resources Research at HSBC James Capel Securities in Australia.

Martin Ackland — Executive Director. Mr Ackland is a qualified metallurgist and has spent over 30 years in the resources industry in a variety of roles that involved the creation of major resource groups from small capital bases. From 1997 to 2003, Mr Ackland was President and Chief Executive Officer of Southern Cross Resources Inc. (now SXR Uranium One Inc.). From 1987 to 1995, he was an executive director of Ticor Limited (formerly Minproc Holdings Limited) where he was responsible for the successful implementation of the Tiwest Project; the world's only integrated mineral sands mine, synthetic rutile and TiO₂ pigment operation. He brings to the Company a very strong background in project development, particularly in mineral sands and gold, at a time when the Company's projects are in the crucial development phase. His experience embraces a range from project development through financing and capital raising in both the project and corporate areas. Mr Ackland has prime responsibility for the project implementation and engineering aspects of the Company's projects.

Cleaver Fonseca — Executive Director. Mr Fonseca has more than 25 years of successful leadership and extensive experience in areas of business development, mining, global supply chain management, project management and international market development. From 1998 to 2006, Mr Fonseca held numerous senior positions, including Vice President Global Supply Chain in Millennium Chemicals do Brasil, one of the largest titanium dioxide producers in the world. Mr Fonseca joined the Company on 1 October 2007 as President and Chief Executive Officer of the Mineral Sands Division.

David Isles — Non-Executive Director. Dr Isles is a geophysicist and recognised world expert in aeromagnetic interpretation. He worked in operational exploration with BHP Minerals and in the area of exploration technology development with World Geoscience Corporation. He was a technical director of New Hampton Goldfields Limited for five years until August 2000 when it was taken over. He consults widely in his area of expertise in aeromagnetics.

Robert Danchin — Non-Executive Director. Dr Danchin has over 40 years' experience in the exploration industry. He was Chief Executive Officer of Anglo American PLC's Exploration and Acquisition Division and the Anglo American Group's Deputy Technical Director (Geology). From 1997 to 2002, he was an executive director of Anglo American Corporation of South Africa Limited. In 1980, he joined Stockdale Prospecting Limited (an Australian subsidiary of De Beers) as Chief Geologist based in Australia. He remained with that company for 15 years, eventually becoming Exploration Manager heading up its Australian-based diamond exploration programme.

Oliver Lennox-King — Non-Executive Director. Mr Lennox-King has over 30 years of experience in the mineral resource industry and has a wide range of experience in financing, research and marketing. He was instrumental in the formation of Southern Cross Resources Inc. in 1997. Mr Lennox-King was formerly President of Tiomin Resources Inc. from 1992 to 1997. From 1980 to 1992, he was a mining analyst in the Canadian investment industry. From 1972 to 1980, he worked in metal marketing and administrative positions at Noranda Inc. and Sherritt Gordon Limited.

As at the date of this information circular, the directors and executive officers of MDL, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 2,746,261 Shares, representing approximately 0.56% of the total number of Shares outstanding before giving effect to the exercise of options or warrants to purchase shares. The statement as to the number of Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by the directors and executive officers of MDL as a group is based upon information furnished by the directors and executive officers.

Directors' Meetings

The attendance record of the directors at meetings of the Board held during the Company's most recently completed financial year are summarised as follows:

Name	Meetings Held	Eligible to Attend	Meetings Attended
N J Limb	20	20	20
J W Williams	20	20	20
M C Ackland	20	20	20
C G Da Fonseca – appointed 1 April 2008	20	8	8
D J Isles	20	20	19
R V Danchin	20	20	18
O Lennox-King – appointed 27 November 2007	20	11	8

Name	Remuneration Committee			Audit Committee		
	Held	Eligible	Attended	Held	Eligible	Attended
D J Isles	1	1	1	2	2	2
R V Danchin	1	1	1	2	2	2
O Lennox-King – appointed 27 November 2007	1	1	-	2	1	-

Other Directorships

The following directors of the Company are directors of other issuers that are reporting issuers or the equivalent in Canada or elsewhere:

Director	Company/Reporting Issuer
N J Limb	Gippsland Offshore Petroleum Limited
J W Williams	Morning Star Gold NL
M C Ackland	Lodestone Exploration Limited
C G Da Fonseca – appointed 1 April 2008	Nil
D J Isles	Stellar Resources Limited
R V Danchin	Cluff Gold plc
O Lennox-King – appointed 27 November 2007	Aurora Energy Resources Inc., CGX Energy Resources Inc., Fronteer Development Group inc.

Board Mandate

The Board has not adopted a formal mandate. The Board has adopted, on an informal basis, the following roles and responsibilities. In general, the Board:

- performs its duties and responsibilities in accordance with the laws of the jurisdiction of incorporation of the Company;
- oversees and monitors the performance of the Company in the context of the long-term interests of its shareholders;
- promotes a culture of integrity and responsibility; and
- together with management of the Company, develops a process for the timely and accurate disclosure of information which is material to the Company.

Further specific details of the Board's responsibilities are contained in the Corporate Governance Statement in the 2008 Annual Report which is available on the Company's website www.mineraldeposits.com.au and www.sedar.com.

Position Descriptions

The Board has not adopted a formal written position description for the Chairman of the Board, Mr Limb, on the basis that the role of the Chairman is well understood by all of the directors. The Board has also not adopted a formal written position description for the Managing Director, Mr Williams, on the basis that his role and responsibilities are well understood by him and the other directors.

However, within the Corporate Governance Statement for the Company, the responsibilities of the Chairman of the Board and the Managing Director have been defined as follows:

As Executive Chairman, the specific executive responsibilities of Mr N Limb are:

- raising funds for the Company to progress its projects, as required; and
- maintaining relations with investors, analysts, brokers and the Company's appointed advisers.

As Managing Director, Mr J Williams is accountable to the Board for the management of the Company within the policy and authority levels prescribed by it. He has the authority to approve capital expenditure, asset disposals and business transactions within predetermined commitment limits set by the Board.

The Managing Director's specific responsibilities include:

- preparing the Company's annual strategic plan in conjunction with other management;
- keeping the Board informed of all major project proposals and developments by way of specific reports;
- ensuring that resource development is in accordance with the Company's approved business strategy and any specific directions of the Board;
- making presentations and undertaking periodic "road shows" alone or with the Executive Chairman; and
- responding to written or telephonic institutional shareholder enquiries.

The roles of the Chair of the Audit Committee and Remuneration Committee are not specified in the respective charters; instead the committee's authority and responsibilities are defined in the respective charters of each committee. Each committee reports on its formal meetings and findings to the Board of Directors through its Chairman.

Orientation and Continuing Education

The Company does not provide a formal orientation or education program for new directors. However, new directors are educated about the nature and operation of the Company's business, current issues, corporate strategy and the role of the Board, its committees and its directors but the current directors and senior officers. The Board encourages directors to participate in continuing education opportunities in order to ensure that directors maintain or enhance their skills and abilities as directors, and maintain a current and thorough understanding of the Company's business.

As stated previously, there is a procedure agreed by the Board for directors to take independent professional advice at the expense of the Company.

Ethical Business Conduct

The Board has responsibility for protecting, guiding and monitoring the business affairs of the Company in the interests and for the benefit of all stakeholders. It continues to be the policy of the Company for directors, senior executives and employees to observe high standards of conduct and ethical behaviour in all of the Company's activities. This includes dealings with suppliers, business partners, public servants and the general communities in which it operates domestically and now, principally, abroad. On 30 June 2004, the Board formally adopted a Code of Ethics that sets out the principles and standards with which all Company officers and employees are expected to comply in the performance of their respective functions when conducting Company business. A revised version of the Code was approved by the Board on 26 September 2008.

All directors, senior executives and other employees are given a copy of the Code of Ethics and are expected to comply with it. All contracts or letters of employment make reference to this fact.

A copy of the Code of Ethics is available on the Company's website at www.mineraldeposits.com.au and at www.sedar.com and will be provided to any shareholder on request to the Company Secretary by mail to Mineral Deposits Limited, Level 7, 530 Little Collins Street, Melbourne Victoria 3000, or by email to Melvyn Drummond, General Manager Corporate and Company Secretary, at mel.drummond@mineraldeposits.com.au, or by telephone on (+61 3) 9909 7633 or by facsimile on (+61 3 9621 1460).

Nomination of Directors

The Company does not have a nomination committee. The Board considers that it continues to be of a size, composition and experience which is conducive to identifying and approaching potential new members and, also, making relevant appointments itself efficiently and expeditiously. As the size and composition of the Board and the skill sets of its members change, the Board will reconsider the need for a separate nomination committee and the composition of such committee, when and if established, recognising that it should be comprised of independent directors, or a majority thereof.

In the absence of a separate nomination committee, the functions of a nomination committee are carried out by the full Board.

Compensation

A remuneration committee charter was adopted on 26 September 2008 to align director and executive objectives with those of shareholders and the business. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Company, as well as create goal congruence between directors, executives and shareholders. The remuneration policy setting the terms and conditions for the executive directors and other senior executives was not developed by a remuneration committee but approved by the Board after seeking professional advice from independent external consultants at the time.

A Remuneration Committee was established by the Board on 24 August 2006. In establishing the remuneration committee, the Board recognised the recent growth achieved by the business and the anticipated growth in the future through the projects now well underway in Senegal.

The Remuneration Committee is comprised of three members. The current members of the MDL remuneration committee are Dr D Isles, Dr R Danchin and Mr O Lennox-King, all of whom are independent, non-executive directors of the Company. Dr D Isles, who is not the Chairman of the Board, is the Chairman of the Remuneration Committee.

The Company's policy for determining the nature and amount of compensation of Board members of the Company has been disclosed under Executive Compensation.

Other Board Committees

Other than the standing Audit Committee and the Remuneration Committee, the Company has a Disclosure Committee in order to ensure MDL meets its obligations of timely disclosure of information. The Disclosure Committee is comprised of the Executive Chairman, the Managing Director, the Chief Financial Officer and the Company Secretary. The Committee reports to the Board. The Committee's responsibilities include:

1. managing MDL's compliance with its continuous disclosure obligations and communications policy;
2. if considered appropriate, appointing disclosure officer(s) with particular responsibility for reporting information relating to different countries and/or sectors where MDL operates;
3. identifying and reviewing information to determine if disclosure is required;
4. implementing reporting processes and controls and determining guidelines for the release of information; and
5. ensuring that the Board is kept fully informed of its determinations and is promptly advised of all information disclosed to the market.

The Disclosure Committee meets as circumstances require.

Assessments

The Board has adopted processes to measure its own performance and that of its committees and individual directors. The annual performance evaluation reviews the performance of the Board against its responsibilities and the performance of committees against the terms of their respective charters. It also reviews the contribution of each member of the Board and each committee and considers the changes that may be required to relevant charters, taking into account developments in the Company and its businesses over the preceding year, and in corporate governance practices. The annual performance evaluation also sets forth the goals and objectives of the Board for the following year. The Chairman conducts confidential discussions with each director in relation to matters such as work programme, interaction with management and perceived strengths and weaknesses of the Board and its committees. Mr M Drummond, the Company Secretary, is accountable to the Board, through the Chairman, on all governance and compliance matters. After discussion between the Chairman and Mr Drummond, any significant performance related issues identified, or changes recommended, are referred to the Board for action in its ongoing development programme.

The Board conducts an annual review of the performance of the Managing Director (as chief executive officer of the Company) against appropriate measures including the goals established by the Board.

Interest of Certain Persons or Companies in Matters to be Acted Upon

No director or executive officer of the Corporation since 30 June 2008, no proposed nominee for election as a director of the Corporation, or any associate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting. With regard to resolution 5, the non-executive directors have a direct interest in the outcome of the vote.

Interest of Informed Persons in Material Transactions

No director, executive officer or principal shareholder or any of their respective associates or affiliates, has any material interest, direct or indirect, in any transaction in which MDL has participated within the preceding three year period, or in any proposed transaction, which has materially affected or will materially affect MDL or any of its subsidiaries.

The undermentioned transactions, while not material at this juncture, did involve related parties.

- During the year, office accommodation/facilities were provided by the consolidated entity at commercial rates to a related party, Cockatoo Ridge Wines Limited, of which Mr N J Limb was and the Company Secretary, Mr M J S Drummond, continues to be a director. The Company charged \$3,300 (2007 – \$6,300) (excluding GST) in relation to the provision of these services to 30 June 2008.
- During the year, office accommodation/facilities and administrative support were provided by the consolidated entity at commercial rates to Gippsland Offshore Petroleum Limited of which Mr N J Limb continues as a non-executive director. The Company charged \$81,410 (2007 – \$74,000) (excluding GST) in relation to the provision of these services to 30 June 2008.
- During the year, office accommodation/facilities were provided by the consolidated entity at commercial rates to XDM Resources Inc of which Mr O Lennox-King was a non-executive director. The Company charged \$28,375 (2007 – nil) (excluding GST) in relation to the provision of these services to 30 June 2008.
- During the year, technical assistance, office accommodation/facilities and administrative support were provided by the consolidated entity at commercial rates to Stellar Resources Limited of which Dr D J Isles and the Company Secretary, Mr M J S Drummond, continue as director and company secretary respectively. The Company charged \$109,750 (2007 – \$28,667) (excluding GST) in relation to the provision of these services to 30 June 2008.
- An amount of \$285,000 (2007 – \$285,000) was paid for consulting fees provided to the Company by Mineral Properties Pty Ltd of which Mr M C Ackland is a director and in which he has a beneficial interest.
- During the year, geological services were provided to the consolidated entity by The Goongarrie Trust of which Dr D J Isles is trustee and a beneficiary. The Goongarrie Trust charged \$58,175 (2007 – \$47,146) (excluding GST) in relation to the provision of these services to 30 June 2008. Dr Isles continues as a director of the Company.

Particulars of Matters to be Acted Upon

The business of the annual general and special meeting of the members of MDL is summarised in the enclosed Notice of Meeting and accompanying Explanatory Statement provided to assist shareholders with an explanation of the business of the meeting and the resolutions proposed to be considered.

Auditor

The auditor of MDL is Deloitte Touche Tohmatsu, Victoria, having an address at QV Building, 180 Lonsdale Street, Melbourne, Victoria, Australia 3000 and pursuant to shareholder approval was appointed on 27 November 2007.

Additional Information

Additional information relating to the Company can be found on SEDAR at www.sedar.com, on the website of the Australian Securities Exchange at www.asx.com.au and on the website of the Company at www.mineraldeposits.com.au. The Company will provide to any person, upon request to the Company Secretary, a copy of the Company's 2008 Annual Report which includes the financial statements of the Company for the most recently completed financial year and the audit opinion issued thereon and a copy of the Company's MD & A in respect of such financial strategy.

Enquiries

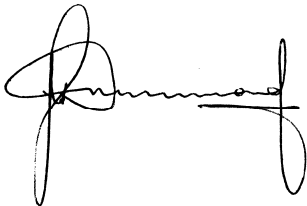
Shareholders can contact Mr M J Drummond, Company Secretary, on +61 (3) 9909 7633 if they have any queries in respect of the matters set out in these documents.

Approval of the Explanatory Statement and Management Information Circular

The context and the sending of the Explanatory Statement and Circular have been approved by the directors of the Company.

Dated: 20 October 2008

By order of the Board



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Melvyn J S Drummond
Secretary