ASX/TSX RELEASE

Melbourne, 28 July 2011

ERAMET and Mineral Deposits have signed definitive agreements for the creation of a joint-venture in the mineral sands sector

ERAMET and Mineral Deposits Limited ("MDL") announced today that they have signed the definitive agreements for the creation of a joint venture to combine ERAMET Titanium & Iron ("ETI") and MDL's Grande Côte Mineral Sands Project ("Grande Côte").

As proposed in the terms of the Memorandum of Understanding announced on 20 June 2011, ERAMET and MDL will both hold 50% of the shares of the newly created entity. ERAMET will contribute to the joint venture its 100% shareholding in ETI and cash of US$30m, and MDL will contribute its 90% participation in the Grande Côte Mineral Sands project, the other 10% of the project being held by the Republic of Senegal.

The transaction creates a new major player in the mineral sands industry which presents attractive growth prospects given the supply deficits forecast in the titanium dioxide and zircon markets in the short and medium term, and the low substitution risk of these two products. Titanium dioxide is mainly used for the production of pigments (91% of consumption) and of titanium metal – notably for the aeronautics industry – (5%). Zircon is used in the production of ceramics (55% of consumption), zirconia and chemicals (18%), refractory materials (11%) and foundry parts (11%).

ETI owns the Tyssedal plant in Norway, which is the only facility in Europe producing titanium dioxide (TiO_2) slag for use in the pigment sector. Current capacity is approximately 210 ktpa of TiO_2 slag, and approximately 115 ktpa of high-purity pig iron as a very important co-product, which is sold to ductile iron foundries, notably for the production of parts for wind turbines. Ilmenite is the major feedstock of the plant.

Located on the coast of Senegal in West Africa, the Grande Côte Mineral Sands Project, with an expected mine life of at least 20 years (based on identified reserves and resources), is anticipated to produce approximately 85 ktpa of zircon and 575 ktpa of ilmenite (and small amounts of rutile and leucoxene) when in full production. Construction of the Project will commence during the current quarter, and after a two year build, production is expected to commence late in 2013. The capital cost of the Project, estimated at US$516 million, will be financed using ERAMET's cash contribution of US$30 million to the joint venture, a US$45 million shareholder loan provided by ERAMET to the joint venture, third party debt financing and equity contributions or shareholders loans set up at parity between the joint venture and the two parties. Grande Côte is one of only a few major new projects globally that is expected to be developed in the medium term.

The combination of ETI and Grande Côte will provide ETI with the opportunity to benefit from a new source of high quality ilmenite, which provides for expansion and product diversification opportunities, while Grande Côte will be able to secure off-take for the majority of its ilmenite production. Grande Côte's zircon production will allow the joint venture to have a strong position in another attractive market. Finally, the joint venture will benefit from ERAMET's broad expertise in mining, metallurgy, logistics, R&D and marketing, and from MDL's development expertise (having successfully commissioned the Sabodala gold project in Senegal in 2009) and mineral sands mining experience.

The closing of the transaction is subject to certain conditions precedents and is expected to take place by the end of September 2011.

Patrick BUFFET, Chairman and CEO of ERAMET, stated that *"This partnership with Mineral Deposits Limited will allow ERAMET to leverage on ERAMET Titanium & Iron's strengths and create a significant vertically integrated titanium feedstock producer, which will expand and diversify the group's product range with the production of zircon, two very attractive markets with a supply deficit expected in the coming years."*

Nic LIMB, Executive Chairman of MDL, stated: *"We are delighted to have formed this partnership with ERAMET. The combination of a word class mineral sands ore body and a Tier-1 production facility is compelling industrial rationale, and positions the joint venture exceptionally strongly in a growth sector."*

- ooOoo -

ERAMET is a leading global producer of:
- alloying metals, particularly manganese and nickel, used to improve the properties of steel,
- high-performance special steels and alloys used in industries such as aerospace, power generation and tooling.

ERAMET is also studying or developing major projects in new metals with high growth potential such as lithium, niobium and rare earths, as well as in recycling.
The Group employs approximately 14,000 people in 20 countries. ERAMET is part of Euronext Paris Compartment A and is listed on the MSCI index.

Mineral Deposits Limited is an Australian-based, ASX and TSX listed mining company developing the world class Grande Côte Mineral Sands Project in Senegal, West Africa. Grande Côte, which is expected to commence production late in 2013, is one of only a few major new projects globally that can take advantage of the supply-constrained mineral sands sector.

- ooOoo -

Contacts:

ERAMET: Mr. Philippe Joly, Vice-President Strategy and Investor Relations (Paris)
tel: +33 (0)1.45.38.42.02

Shareholder information: http://www.eramet.com

MDL: Mr. Nic Limb, Executive Chairman
tel: +61 (0)3.9909.7633

Mr. Rick Sharp, Managing Director and Chief Executive Officer
tel: +61 (0)3.9909.7633

Shareholder information: http://www.mineraldeposits.com.au