



Melbourne, 26 October 2011

PRESS RELEASE

ERAMET and Mineral Deposits Limited announce the closing of their mineral sands joint-venture

ERAMET and Mineral Deposits Limited (“MDL”) announced today that they have closed their joint venture transaction to combine ERAMET Titanium & Iron (“ETI”), located in Norway, and MDL’s Grande Côte Mineral Sands project (the “Grande Côte Project”), located in Senegal. The effective date for commencement of the joint venture is 1 October 2011.

In accordance with the agreements entered into on 27 July 2011, ERAMET and MDL both hold 50% of the shares of the joint-venture, which has been incorporated under the name TiZir Limited (“TiZir”). ERAMET contributed 100% of its shares in ETI and cash of US\$30m to TiZir, and MDL contributed its 90% participation in the Grande Côte Project (the other 10% being held by the Republic of Senegal).

Construction of the Grande Côte Project has already started as planned and production is expected to commence in late 2013. The capital cost of the Grande Côte Project, estimated at approximately US\$520 million, will be financed using ERAMET’s cash contribution to TiZir, a US\$45 million shareholder loan provided by ERAMET to TiZir, a third party debt financing and equity contributions or shareholders loans at TiZir level set up at parity between the shareholders.

ETI will benefit from a new source of high quality ilmenite for its production of titanium slag, which provides for expansion and product diversification opportunities. The Grande Côte Project will be able to secure off-take for the majority of its ilmenite production. Grande Côte’s zircon production will allow TiZir to have a strong position in another attractive market. Finally, TiZir 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.

Patrick BUFFET, Chairman and CEO of ERAMET, stated that: *“We are delighted to have finalised this partnership with Mineral Deposits Limited and to have created TiZir. ERAMET and MDL join their strengths to create a major player in the very attractive mineral sands industry.”*

Nic LIMB, Executive Chairman of MDL, stated that: *“The finalisation of this joint-venture agreement with ERAMET is a key step for MDL and for the development of the Grande Côte Project, whose construction is in line with the scheduled timetable.”*

ABOUT ERAMET:

ERAMET is a leading global producer of:

- alloying metals, particularly manganese and nickel, used to improve the properties of steel, and
- 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 15,000 people in 20 countries. ERAMET is part of Euronext Paris Compartment A and is listed on the MSCI index.

ETI owns the Tysedal plant in Norway, which is the only facility in Europe producing titanium dioxide (TiO₂) slag for use in the pigment sector. Current capacity is approximately 200ktpa of TiO₂ slag, and approximately 110ktpa 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 windmills. Ilmenite is the major feedstock of the plant.

ABOUT MINERAL DEPOSITS LIMITED:

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 in late 2013, is one of only a few major new projects globally that can take advantage of the supply-constrained mineral sands sector.

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