Appendix 4D

Half-year report

for the period ended 30 June 2012

*Expressed in **United States dollars** unless otherwise stated*

Results for announcement to the market

This information should be read in conjunction with the attached consolidated financial report for the half-year ended 30 June 2012 of Mineral Deposits Limited

From continuing and discontinued operations		Percentage change		Amount
		%		$'000
Revenues from ordinary activities	Up	25.9	to	1,172
Profit from ordinary activities after tax attributable to equity holders of the parent	Up	204.0	to	10,038
Profit for the period attributable to equity holders of the parent	Up	204.0	to	10,038

Commentary on the results for the half-year ended 30 June 2012

For commentary on the result for the half year ended 30 June 2012, please refer to the Review of Operations in the Directors' Report.

Net tangible assets per ordinary share

	2012	2011
Net tangible asset backing per ordinary share (cents)	502.26	435.46

Mineral Deposits

FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 30 JUNE 2012

This report does not include all the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. Accordingly, this report should be read in conjunction with the annual report of Mineral Deposits Limited for the six month period ended 31 December 2011. It is also recommended that this financial report be considered together with any public announcement made by Mineral Deposits Limited and its controlled entities during the six month period ended 30 June 2012, in accordance with the continuous disclosure requirements of the Corporations Act 2001, including its quarterly reports lodged with the Australian Securities Exchange.

*Expressed in **United States dollars** unless otherwise stated*

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This report contains "forward-looking statements" which are subject to various risks and uncertainties that could cause actual results and future events to differ materially from those expressed or implied by such statements. Investors are cautioned that such statements are not guarantees of future performance and results. Risks and uncertainties about the company's business are more fully discussed in the company's disclosure documents filed from time to time with the Australian securities authorities and certain Canadian securities authorities.

CONTENTS

DIRECTORS' REPORT

The directors of Mineral Deposits Limited ("MDL" or the "company") present their report together with the consolidated financial report of the company and its controlled entities, for the six month period ended 30 June 2012 and the Audit Report thereon.

DIRECTORS

The names of directors in office during the year and up to the date of this report are:

Nicholas Limb
Rick Sharp
Martin Ackland
Robert Danchin
David Isles
James (Murray) Grant
Tom Whiting (appointed 19 January 2012)

PRINCIPAL ACTIVITIES

The principal activities of the company for the six month period ended 30 June 2012 continued to be focused on the mineral sands sector through its 50% interest in TiZir Limited ("TiZir"), which owns the Grande Côte Mineral Sands Project in Senegal, and the Tyssedal ilmenite upgrading plant in Norway. Further information is included under Review of Operations below.

Grande Côte, over an expected mine life of at least 20 years, is anticipated to produce on average approximately 85ktpa of zircon and 575ktpa of ilmenite (and small amounts of rutile and leucoxene) when in full production. Currently being developed and with production expected to commence late-2013, it is one of only a few major new projects globally that can take advantage of the supply-constrained mineral sands sector.

The Tyssedal ilmenite upgrading plant smelts ilmenite to produce a high TiO_2 titanium slag which is sold to pigment producers and a high purity pig iron which is sold as a valuable co-product to ductile iron foundries. The facility currently produces approximately 200ktpa of titanium slag and 110ktpa of high purity pig iron.

Once Grande Côte reaches expected average production rates, TiZir will be producing approximately 7% of both global zircon and titanium feedstock supply.

OPERATING RESULTS

MDL's underlying net profit after tax for the half-year ended 30 June 2012 was $13.5 million (half-year ended 30 June 2011 – loss of $9.7 million), and included a share of the underlying profit earned by TiZir of $15.0 million. After inclusion of the company's share of amortisation of purchase price allocation adjustments of $3.5 million, the reported net profit after tax was $10.0 million.

During the six months ended 30 June 2012, work was undertaken in relation to purchase price allocation (PPA) of the assets and liabilities acquired on the establishment of TiZir (which took effect 1 October 2011). As a consequence, with effect from 1 October 2011, $50.6 million previously recognised by TiZir as goodwill in relation to the acquisition of TiZir Titanium & Iron (Tyssedal) has been reclassified as:

- $61.0 million of identifiable intangible assets;
- $9.3 million of incremental property, plant and equipment; offset by
- $19.7 million attributable to the associated deferred tax liabilities.

The $61.0 million pre-tax amount reclassified to identifiable intangible assets comprised $37 million to a supplier contract that will be amortised over the 2.25 years to 31 December 2013 and $24 million to a power contract that will be amortised over 13.25 years. The amortisation of the PPA reclassifications during the six months ended 30 June 2012 for TiZir was $6.9 million (on an after-tax basis) and has been excluded from underlying profit.

FINANCIAL POSITION

The statement of financial position at 30 June 2012 comprises net assets of $419.6 million (31 December 2011 – $428.8 million), made up of:

- the 50% interest in TiZir valued at $254.4 million (31 December 2011 – $234.6 million);
- cash of $91.1 million (31 December 2011 – $107.2 million);
- investments in Teranga Gold Corporation and World Titanium Resources Limited valued at $73.9 million (31 December 2011 – $90.9 million);
- other assets and liabilities netting to an asset of $0.2 million (31 December 2011 – net liability of $3.9 million).

The company had no external borrowings as at 30 June 2012.

DIRECTORS' REPORT

CASH FLOW

The net decrease in cash for the half-year ended 30 June 2012 was $16.2 million, comprising:

- payment of $10.0 million as an equity contribution to TiZir Limited;
- payment of $4.2 million for investments; and
- other net cash outflows and foreign exchange movements of negative $2.0 million.

REVIEW OF OPERATIONS

Tyssedal ilmenite upgrading plant, Norway

The Tyssedal ilmenite upgrading plant produced 77.8 thousand tonnes of titanium slag and 43.3 thousand tonnes of high purity pig iron during the six month period to 30 June 2012. Production during the second quarter of 2012 was impacted due to the shutdown of the pre-reduction rotary kiln for approximately one month for a major maintenance programme which included a reline of the majority of the kiln. The furnace operated at a reduced capacity during this time which resulted in the loss of approximately 13,000 tonnes of titanium slag production. Production guidance for 2012 is now 170-175 thousand tonnes of titanium slag.

Grande Côte Mineral Sands Project, Senegal

Construction at Grande Côte continued at pace during the six month period to 30 June 2012 with capital expenditures of $96 million. The project remains on schedule and within budget – nearly $300 million of the $521 million budget is now either spent or committed under purchase orders. To date, based on the estimated cost to complete, approximately $12 million of the $29 million general contingency has been used.

Large scale works are now ramping up onsite, while offsite fabrication of components at various places around the world begins to finalise and begin being shipped to site.

Project Snapshot to 30 June 2012	
Safety	• No LTIs at 1.3 million man-hours
Dredge	• Fabrication/assembly in Thailand 86% complete • Factory acceptance testing on schedule to commence in July • On schedule to ship from Thailand in October and arrive at site November/December
Dredge start up area	• Construction area of dredge pit (which sits one metre above the water table) complete • Excavation of commissioning area of dredge pit to six metres below the water table to commence late July • Water dam construction commenced, including pipe installation to allow flooding of the initial dredge area
Water bores & pipeline	• First of 13 deep water high capacity bores for dredge pond management completed and successfully tested • Drilling contractor has mobilised second rig which is due on site August 2012
Wet concentrator	• Contractor issues are delaying completion of the pontoons which is putting some pressure on the overall schedule
Mineral separation plant (MSP)	• All earthworks on track for completion end-July – ahead of schedule • Main slabs for wet mill and dry mill on target to be poured during third quarter • Administration building construction nearing completion
Power station	• Engineering 100% complete / procurement 96% complete • Engines (x5) are built and tested and are ex Finland for Senegal early July • On-site civil work commenced at MSP, including pouring of engine foundations
Rail	• Rail design works 95% complete • Earthworks complete, laterite capping nearing completion and ballast placement to commence in July for 22km rail corridor to connect MSP to existing rail line • Orders placed for locomotives, wagons and flatbed cars – Eramet's experience leveraged
Port	• Site preparation and levelling complete

DIRECTORS' REPORT

Corporate

New Appointments

On 19 January 2012, MDL announced the appointment of Dr Tom Whiting as a non-executive director of the company. Tom has significant experience in minerals exploration and resource development across a variety of commodities. His qualifications include a PhD in Geophysics and a Master in Applied Finance.

Voluntary delisting from Toronto Stock Exchange

On 29 June 2012, MDL voluntarily delisted from the Toronto Stock Exchange (TSX).
The decision by MDL to delist was made due to the limited trading volume of MDL securities on TSX over a sustained period of time and the low and declining level of ownership (approx 1%) in Canada. As such, the costs of maintaining the TSX listing and Canadian share register were no longer justified.

OUTLOOK

Tyssedal ilmenite upgrading plant, Norway

Contracts are in place with titanium slag customers for the majority of product that is expected to be sold during the balance of 2012. At this stage, no fixed-price contracts have been entered into beyond 2012.

Grande Côte Mineral Sands Project, Senegal

Construction activities at Grande Cote will continue throughout the remainder of 2012 with expected capital expenditures of approximately $30.0 million per month.

DIVIDENDS

During the six month period no dividends were paid. The directors have not recommended the payment of a dividend.

CHANGE IN STATE OF AFFAIRS

Other than noted above, there was no significant change in the state of affairs of the company during the financial year.

SUBSEQUENT EVENTS

There has not been any matter or circumstance occurring subsequent to the end of the reporting period that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

AUDITOR

Deloitte Touche Tohmatsu continues in office in accordance with the Corporations Act 2001.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence statement is included on page 5 of the financial report.

ROUNDING OFF OF ACCOUNTS

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the financial report are rounded off to the nearest thousand dollars, unless otherwise stated.
This directors' report is signed in accordance with a resolution of directors made pursuant to section 306(3) of the Corporations Act 2001.
On behalf of the directors

Robert Danchin	**Rick Sharp**
Deputy Chairman	**Managing Director**

Melbourne, 13 August 2012

Deloitte.

Deloitte Touche Tohmatsu
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13 August 2012

The Board of Directors
Mineral Deposits Limited
Level 17
530 Collins Street
MELBOURNE VIC 3000

Dear Board Members,

Mineral Deposits Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Mineral Deposits Limited.

As lead audit partner for the review of the financial statements of Mineral Deposits Limited for the half-year ended 30 June 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely,

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Ian Sanders

Ian Sanders
Partner
Chartered Accountants

Deloitte Touche Tohmatsu
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Independent Auditor's Review Report to the members of Mineral Deposits Limited

We have reviewed the accompanying half-year financial report of Mineral Deposits Limited, which comprises the condensed consolidated statement of financial position as at 30 June 2012, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 7 to 20.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Mineral Deposits Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Mineral Deposits Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Deloitte.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Mineral Deposits Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Ian Sanders

Ian Sanders
Partner
Chartered Accountants
Melbourne, 13 August 2012

DIRECTORS' DECLARATION

The directors of the company declare that, in the directors' opinion:

1. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable, and

2. the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards, and give a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the directors

Robert Danchin
Deputy Chairman

Rick Sharp
Managing Director

Melbourne, 13 August 2012

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the half-year ended 30 June 2012

	Note	Consolidated 2012 US$'000	2011 US$'000
Share of TiZir Limited net profit using equity accounting	8	11,505	-
Other income	4	1,172	931
Administration expenses	4	(3,378)	(6,426)
Borrowing costs		(1)	(2,396)
Loss on disposal on non-current assets		-	(41)
Net foreign exchange gains/(losses)		740	(1,451)
Profit/(loss) before tax		10,038	(9,383)
Income tax benefit		-	3
Profit/(loss) from continuing operation		10,038	(9,380)
Loss from discontinued operation	5	-	(276)
Profit/(loss) for the period		**10,038**	**(9,656)**
Other comprehensive loss, net of income tax:			
Exchange differences arising on translation of foreign operations		(250)	7,525
Share of other comprehensive income of equity accounted joint venture		(1,760)	-
Loss on available for sale investment		(17,383)	(12,439)
Other comprehensive loss for the period (net of tax)		(19,393)	(4,914)
Total comprehensive loss for the period		**(9,355)**	**(14,570)**
Profit/(loss) attributable to:			
Owners of the parent		10,038	(9,649)
Non-controlling interests		-	(7)
Profit/(loss) for the period		**10,038**	**(9,656)**
Total comprehensive income/(loss) attributable to:			
Owners of the parent		(9,355)	(14,563)
Non-controlling interests		-	(7)
		(9,355)	**(14,570)**

	2012 US Cents	2011 US Cents
Earnings per share		
Basic earnings per share (cents)	12.0	(15.9)
Diluted earnings per share (cents)	12.0	(15.9)

Notes to the condensed consolidated financial statements are included on pages 12 to 20.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2012

	Note	Consolidated 30 June 2012 US$'000	Consolidated 31 Dec 2011 US$'000
Current assets			
Cash and cash equivalents	6	91,053	107,233
Trade and other receivables		838	736
Other financial assets	7	70,593	87,486
Other		193	178
Total current assets		**162,677**	**195,633**
Non-current assets			
Investment in joint venture	8	254,350	234,605
Other financial assets	7	3,298	3,383
Property, plant and equipment	9	1,097	795
Intangible assets		22	46
Total non-current assets		**258,767**	**238,829**
Total assets		**421,444**	**434,462**
Current liabilities			
Trade and other payables		487	4,241
Provisions		1,310	1,355
Total current liabilities		**1,797**	**5,596**
Non-current liabilities			
Provisions		46	41
Total non-current liabilities		**46**	**41**
Total liabilities		**1,843**	**5,637**
Net assets		**419,601**	**428,825**
Equity			
Issued capital	10	356,122	356,122
Reserves		103,909	123,171
Accumulated losses		(40,430)	(50,468)
Total equity		**419,601**	**428,825**

Notes to the condensed consolidated financial statements are included on pages 12 to 20.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 30 June 2012

	Issued capital US$'000	Accumulated losses US$'000	Foreign currency translation reserve US$'000	Investment revaluation reserve US$'000	Equity-settled share-based payments reserve US$'000	Cash flow hedge reserve US$'000	Attributable to equity holders of the parent US$'000	Non controlling interest US$'000	Total US$'000
Balance at 1 January 2011	**219,211**	**(111,381)**	**59,005**	**75,958**	**9,229**	**-**	**252,022**	**30**	**252,052**
Loss for the period	-	(9,649)	-	-	-	-	(9,649)	(7)	(9,656)
Exchange difference arising on translation of foreign operations	-	-	7,525	-	-	-	7,525	-	7,525
Revaluation of available for sale investments	-	-	-	(12,439)	-	-	(12,439)	-	(12,439)
Total comprehensive income/(loss) for the period	-	(9,649)	7,525	(12,439)	-	-	(14,563)	(7)	(14,570)
Issue of options to directors and employees	-	-	-	-	93	-	93	-	93
Shares issued during the period	141,872	-	-	-	-	-	141,872	-	141,872
Share issue costs	(5,736)	-	-	-	-	-	(5,736)	-	(5,736)
Balance at 30 June 2011	**355,347**	**(121,030)**	**66,530**	**63,519**	**9,322**	**-**	**373,688**	**23**	**373,711**
Balance at 1 January 2012	**356,122**	**(50,468)**	**75,269**	**38,608**	**9,410**	**(116)**	**428,825**	**-**	**428,825**
Profit for the period	-	10,038	-	-	-	-	10,038	-	10,038
Exchange difference arising on translation of foreign operations	-	-	(250)	-	-	-	(250)	-	(250)
Share of other comprehensive income of TiZir Limited	-	-	(1,624)	-	-	(136)	(1,760)	-	(1,760)
Revaluation of available for sale investments	-	-	-	(17,383)	-	-	(17,383)	-	(17,383)
Total comprehensive income/(loss) for the period	-	10,038	(1,874)	(17,383)	-	(136)	(9,355)	-	(9,355)
Issue of performance rights to directors	-	-	-	-	131	-	131	-	131
Balance at 30 June 2012	**356,122**	**(40,430)**	**73,395**	**21,225**	**9,541**	**(252)**	**419,601**	**-**	**419,601**

Notes to the condensed consolidated financial statements are included on pages 12 to 20.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the half-year ended 30 June 2012

	Consolidated	
	2012 US$'000	2011 US$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	545	467
Payments to suppliers and employees	(3,954)	(7,429)
Interest and other costs of finance paid	(1)	-
Income tax paid	-	15
Net cash used in operating activities	(3,410)	(6,947)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for capitalised exploration and development expenditure	-	(2,539)
Payments for property, plant and equipment	(124)	(16,180)
Payments for other intangible assets	-	(2)
Proceeds from sale of fixed assets	8	92
Payments for investment in listed companies	(4,151)	-
Interest received	843	741
Payments for investment in TiZir Limited	(10,000)	-
Advances to related parties	-	(561)
Net cash used in investing activities	(13,424)	(18,449)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity securities	-	141,872
Payment for share issue costs	-	(4,938)
Net cash provided by financing activities	-	136,934
Net (decrease)/increase in cash and cash equivalents held	**(16,834)**	**111,538**
Cash and cash equivalents at the beginning of the period	107,233	59,331
Effect of exchange rates on cash holdings in foreign currencies	654	2,453
Cash and cash equivalents at the end of the period	91,053	173,322

Notes to the condensed consolidated financial statements are included on pages 12 to 20.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the half-year ended at 30 June 2012

1. GENERAL INFORMATION

Mineral Deposits Limited (the "company") is a public company listed on the Australian Securities Exchange (MDL), incorporated in Australia and comprises the company and its subsidiaries.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The half year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 '*Interim Financial Reporting'*. Compliance with AASB 134 ensures compliance with the International Financial Reporting Standards IAS 34 'Interim Financial Reporting'. The half year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent Annual Report.

Basis of Preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain current assets. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in United States dollars unless otherwise noted.

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half year financial report are rounded off to the nearest thousand dollars, unless otherwise stated.

The accounting policies and methods of computation adopted in the preparation of the condensed half year financial report are consistent with those adopted and disclosed in the company's Annual Report for the financial period ended 31 December 2011.

In the current year, the group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Boards (the AASB) that are relevant to its operations and effective for the current reporting period.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for current or prior periods. The new and revised Standards and Interpretations has not had a material impact and not resulted in changes to the Group's presentation of, or disclosure in, its half-year financial report.

Estimates

The preparation of half year financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated financial report, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the financial period ended 31 December 2011.

Financial Risk Management

The group's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial report as at and for the financial period ended 31 December 2011.

3. SEGMENT INFORMATION

The company's reportable segments under AASB 8 are as follows:

- mineral sands activities incorporating the company's joint venture interest in TiZir Limited.

'Unallocated assets" is the aggregation of the company's other operating segments that are not separately reportable and is predominantly the corporate head office.

Information regarding these segments is presented below. The accounting policies of the new reportable segments are the same as the company's accounting policies.

Segment revenue and results

The Mineral Sands Division is the company's only operating segment and incorporates the company's joint venture interest in TiZir Limited which is accounted for on an equity accounting basis. The company only recognises their share of the profit of TiZir Limited and share of other comprehensive income in the Statement of Comprehensive Income and therefore there is no disclosure of revenue and results for this operating segment.

Segment assets and liabilities

The following is an analysis of the group's assets and liabilities by reportable operating segment:

	30 June 2012 US$'000	31 Dec 2011 US$'000
Assets		
Segment assets – mineral sands division	266,869	246,916
Unallocated assets	154,575	187,546
Total assets	**421,444**	**434,462**
Liabilities		
Segment liabilities – mineral sands division	-	-
Unallocated liabilities	1,843	5,637
Total liabilities	**1,843**	**5,637**

4. RESULTS FOR THE PERIOD

	Six months ended 30 June	
	2012 US$'000	2011 US$'000
Interest revenue from:		
- bank deposits	896	705
Other revenue:		
- rental received	59	33
- other	215	187
Gain from sale of fixed assets	2	6
Total other income	**1,172**	**931**
Depreciation of non-current assets:		
- land, buildings and property improvements	-	44
- office furniture	73	13
- computer equipment and software	17	57
- motor vehicles	-	12
	90	126
Amortisation of intangible assets:		
- computer software	23	33
Employee benefits:		
- equity settled share based payments	133	124
- remuneration expense	1,669	2,863
- superannuation contributions	181	248
- provision for leave entitlements	(1)	(44)
	1,982	3,191
Administration and other overheads	1,283	3,076
Total administration expenses	**3,378**	**6,426**

5. DISCONTINUED OPERATIONS

TiZir Mauritius Limited (formerly Mineral Deposits Mauritius Limited)

On 1 October 2011, the company contributed its 100% interest in TiZir Mauritius Limited ("TML") and intercompany loans receivable from TML to TiZir Limited as part of entering into a joint venture agreement with Eramet SA. The company received 125,000 shares (representing a 50% interest) in TiZir Limited as consideration for the interest and loans.

The combined results of the discontinued operation (TML and its subsidiary Grande Côte Operations SA) included in the consolidated statement of comprehensive income are set out below. The comparative profit from discontinued operations have been re-presented to include those operations classified as discontinued in the prior year.

	Six months ended 30 June	
	2012	2011
	US$'000	US$'000
Loss for the year from discontinued operations		
Revenue	-	-
Operating expenses	-	(281)
Loss before income tax	-	(281)
Income tax benefit	-	5
Loss after income tax	-	(276)

6. CASH

	30 June 2012	31 Dec 2011
	US$'000	US$'000
Cash and cash equivalents	28,178	81,239
Tem deposits (i)	62,875	25,994
	91,053	107,233

(i) Cash balances not available for use

The company has $553,261 (31 December 2011 - $389,262) in term deposits included in the cash and cash equivalents that are not readily available for use by the group. These term deposits are held as security over the company's corporate credit card, credit charge facility and lease of corporate head office premises and held in favour of bank guarantees.

7. OTHER FINANCIAL ASSETS

	30 June 2012	31 Dec 2011
	US$'000	US$'000
Current		
Available for sale investments carried at fair value		
- shares in listed company – Teranga Gold Corporation	61,372	78,559
- shares in listed company – World Titanium Resources Limited (i)	9,221	8,927
	70,593	87,486
Non-current		
Available for sale investments carried at fair value		
- shares in listed company – World Titanium Resources Limited (i)	3,298	3,383

(i) The company holds a 15% interest in the ordinary shares of World Titanium Resources Limited. A portion of these shares are restricted from being sold until 12 January 2014 and as such this portion has been recognised as a non-current financial asset.

8. INVESTMENT IN JOINT VENTURE

	30 June 2012 US$'000	31 Dec 2011 US$'000
Investment in TiZir Limited	**254,350**	**234,605**
Movement in investment in joint ventures:		
Opening balance	234,605	-
Shares received as consideration for contribution of interest in Grande Côte Mineral Sands Project	-	235,870
Payments for investments in TiZir Limited during the period	10,000	-
Share of net profit of TiZir Limited	11,505	177
Share of other comprehensive income of TiZir Limited	(1,760)	(1,442)
Investment in TiZir Limited	**254,350**	**234,605**

The following tables set out the results of TiZir Limited from for the six months ended 30 June 2012, including statement of comprehensive income, statement of financial position and statement of cash flows:

	Six months ended 30 June 2012 US$'000					Three months ended 31 Dec 2011 US$'000	
	Tyssedal	Grande Côte	Other*	PPA Adjustments	Consolidated TiZir Limited	Consolidated TiZir Limited	
STATEMENT OF COMPREHENSIVE INCOME						**Restated**	**Reported**
Sales	107,435	-	-	-	107,435	41,350	41,350
Cost of goods sold	(59,519)	-	-	-	(59,519)	(32,717)	(32,717)
Gross profit	**47,916**	**-**	**-**	**-**	**47,916**	**8,633**	**8,633**
Other revenue	2,018	-	-	-	2,018	1,073	1,073
Administration expenditure	(501)	(614)	(382)	-	(1,497)	(1,610)	(1,610)
Finance costs	(39)	-	-	-	(39)	(20)	(20)
Foreign exchange losses	1,059	1,379	(465)	-	1,973	(434)	(434)
Depreciation and amortisation expense	(6,410)	(1,723)	-	(9,634)	(17,767)	(6,734)	(1,917)
Profit/(loss) before tax	**44,043**	**(958)**	**(847)**	**(9,634)**	**32,604**	**908**	**5,725**
Income tax expense	(12,340)	-	-	2,697	(9,643)	(834)	(2,183)
Profit/(loss) for the period	**31,703**	**(958)**	**(847)**	**(6,937)**	**22,961**	**74**	**3,542**
Attributable to non-controlling interest					49	279	18
Profit attributable to joint venture partners					23,010	353	3,560
Share of net profit of joint venture attributable to MDL shareholders					**11,505**	**177**	**1,780**

* Other represents TiZir Limited parent entity results and applicable consolidation elimination entries.

During the period to 30 June 2012, TiZir Limited completed the purchase price allocation of the assets and liabilities acquired during the establishment of joint venture in accordance with IFRS 3 Business Combinations. As such, amounts previously recognised as goodwill were allocated to identifiable intangible assets, property, plant & equipment acquired and related deferred tax liabilities.

The amortisation of identifiable intangible assets and depreciation of property, plant & equipment amounted to $9.6 million ($6.9 million including impact of taxation) during the six months ended 30 June 2012 and has been included in the PPA Adjustments column above. The prior period balances have also been adjusted to reflect the impact of amortisation and depreciation of $4.8 million ($3.5 million including impact of taxation) in relation to the PPA adjustments.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the half-year ended at 30 June 2012

	Six months ended 30 June 2012 US$'000	Three months ended 31 Dec 2011 US$'000	
	Consolidated TiZir Limited	Consolidated TiZir Limited	
OTHER COMPREHENSIVE INCOME RECOGNISED DIRECTLY IN EQUITY		**Restated**	**Reported**
Exchange differences arising on translation of operations	(3,248)	(2,653)	(2,653)
Change in revaluation reserve for hedging financial instruments	(377)	(319)	(319)
Income tax on other comprehensive income	105	88	88
Other comprehensive income for the period, net of tax	(3,520)	(2,884)	(2,884)
Share of other comprehensive income attributable to MDL shareholders	**(1,760)**	**(1,442)**	**(1,442)**
Disclosed as:			
Foreign currency translation reserve	(1,624)	(1,326)	(1,362)
Cash flow hedge reserve	(136)	(116)	(116)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the half-year ended at 30 June 2012

	As at 30 June 2012 US$'000				As at 31 Dec 2011 US$'000	
	Tyssedal	Grande Côte	Other*	Consolidated TiZir Limited	Consolidated TiZir Limited	
STATEMENT OF FINANCIAL POSITION					**Restated**	**Reported**
Current assets						
Cash and cash equivalents	16,090	10,371	36,064	62,525	105,334	105,334
Trade and other receivables	19,688	1,817	7	21,512	20,009	20,009
Inventories	33,594	1,017	-	34,611	32,299	32,299
Other financial assets – derivative financial assets	1,351	-	-	1,351	1,358	1,358
Total current assets	**70,723**	**13,205**	**36,071**	**119,999**	**159,000**	**159,000**
Non-current assets						
Receivables	-	343	-	343	247	247
Other financial assets – investments	154	-	-	154	124	124
Property, plant and equipment	52,305	179,896	8,970	241,171	148,234	138,139
Mine development expenditure	-	51,591	-	51,591	51,591	51,591
Capitalised mining convention and concession costs	-	2,510	-	2,510	2,510	2,510
Goodwill	-	-	-	-	-	149,016
Mineral reserves recognised on acquisition	-	-	109,611	109,611	109,611	-
Intangible assets recognised on acquisition	-	-	47,308	47,308	56,436	-
Other intangible assets	-	30	-	30	38	38
Total non-current assets	**52,459**	**234,370**	**165,889**	**452,718**	**368,791**	**341,665**
Total assets	**123,182**	**247,575**	**201,960**	**572,717**	**527,791**	**500,665**
Current liabilities						
Trade and other payables	20,967	2,421	583	23,971	23,772	23,772
Borrowings	668	-	-	668	31	31
Current tax liabilities	11,117	-	-	11,117	3,112	3,112
Total current liabilities	**32,752**	**2,421**	**583**	**35,756**	**26,915**	**26,915**
Non-current liabilities						
Deferred tax liabilities	4,761	-	15,643	20,404	23,467	4,096
Provisions	341	-	-	341	340	340
Total non-current liabilities	**5,102**	**-**	**15,643**	**20,745**	**23,807**	**4,436**
Total liabilities	**37,854**	**2,421**	**16,226**	**56,501**	**50,722**	**31,351**
Net assets	**85,328**	**245,154**	**185,734**	**516,216**	**477,069**	**469,314**
Equity						
Issued capital				491,741	471,741	471,741
Reserves				(6,403)	(2,883)	(2,883)
Retained earnings				23,362	352	3,559
				508,700	469,210	472,417
Non-controlling interest				7,516	7,859	(3,103)
Total equity				**516,216**	**477,069**	**469,314**

* Other represents TiZir Limited parent entity results, applicable consolidation elimination entries and PPA adjustments.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the half-year ended at 30 June 2012

During the period to 30 June 2012, TiZir Limited completed the purchase price allocation of assets and liabilities acquired during the establishment of joint venture in accordance with IFRS 3 Business Combinations. As such, goodwill of $149.0 million has been allocated as follows:

	US$m
Mineral Rights	109.6
Identifiable intangible assets	61.0
Property, plant and equipment	9.3
Deferred tax liabilities	(19.7)
Minority interests	(11.2)
Total purchase price adjustments	149.0

The prior period statement of financial position has been restated above to illustrate the impact of the purchase price allocation process.

	Six months ended 30 June 2012 US$'000				Three months ended 31 Dec 2011 US$'000
	Tyssedal	Grande Côte	Other*	Consolidated TiZir Limited	Consolidated TiZir Limited
STATEMENT OF CASH FLOW					
Operating activities					
Profit/(loss) for the period	31,703	(958)	(7,784)	22,961	74
Elimination of non-cash and non-operating income and expenses					
- Depreciation and amortisation	6,410	1,723	9,634	17,767	6,597
- Deferred tax	780	-	(2,697)	(1,917)	(1,853)
Cash generated by operating activities	38,893	765	(847)	38,811	4,818
Increase in inventories	(1,621)	-	-	(1,621)	(2,766)
(Increase)/decrease in trade receivables	(145)	-	-	(145)	2,664
Increase/(decrease) in trade payables	2,075	(1,163)	(7)	905	6,030
Change in other assets and liabilities	9,106	(2,852)	275	6,529	1,989
Interest income	-	-	-	-	26
Interest paid	39	-	-	39	(6)
Tax paid	(3,364)	-	-	(3,364)	(50)
Net change in current operating assets and liabilities	6,090	(4,015)	268	2,343	7,887
Net cash generated by operating activities	**44,983**	**(3,250)**	**(579)**	**41,154**	**12,705**
Cash flows from investing activities					
Payments for non-current assets	(7,728)	(96,209)	(57)	(103,994)	(18,440)
Proceeds on disposal of non-current assets	-	20	-	20	-
Proceeds from joint venture partner	(39,943)	94,427	(54,484)	-	6,085
Net cash used in investing activities	**(47,671)**	**(1,762)**	**(54,541)**	**(103,974)**	**(12,355)**
Cash flows from financing activities					
Proceeds of borrowings	653	-	-	653	11
Proceeds from issue of shares	-	-	20,000	20,000	63,575
Net cash provided by financing activities	**653**	**-**	**20,000**	**20,653**	**63,586**
Net (decrease)/increase in cash held	(2,035)	(5,012)	(35,120)	(42,167)	63,936
Cash and cash equivalents at beginning of the period	18,046	15,942	71,346	105,334	42,484
Effect of exchange rates on cash holdings in foreign currencies	79	(559)	(162)	(642)	(1,086)
Cash and cash equivalents at end of the period	**16,090**	**10,371**	**36,064**	**62,525**	**105,334**

* Other represents TiZir Limited parent entity results, applicable consolidation elimination entries and PPA adjustments.

9. PROPERTY, PLANT AND EQUIPMENT

	30 June 2012 US$'000	31 Dec 2011 US$'000
Carrying amounts of each class:		
Land, buildings and property improvement	880	605
Office equipment	217	190
	1,097	795

10. ISSUED CAPITAL

		30 June 2012 No.	30 June 2012 US$'000	31 Dec 2011 No.	31 Dec 2011 US$'000
(a)	**Movement in fully paid ordinary shares**	83,538,786	356,122	83,538,786	356,122
	At the beginning of the period	83,538,786	356,122	83,415,116	355,347
	Shares issued during the period:				
	- 18 July 2011	-	-	123,670	791
	Less costs associated with exercise of options & share issue	-	-	-	(16)
	Total for the period	-	-	123,670	775
	At the end of the period	83,538,786	356,122	83,538,786	356,122

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore the company does not have a limited amount of authorised capital and issued shares do not have a par value.

Fully paid ordinary shares carry one vote per share and a right to dividends.

(b) Share Options & Performance Rights

As at 30 June 2012, the following unissued ordinary shares of the company under option were outstanding:

Code	Unlisted Security	Grant date	Expiry date	Exercise price (A$)	No.
MDLAU	Share options	19 July 2007	18 July 2012	12.78	45,000
MDLAW	Share options	29 November 2007	29 November 2012	12.78	475,000
MDLAY	Share options	5 December 2007	5 December 2012	12.78	100,000
					620,000
	Performance rights	31 August 2011	31 August 2016	-	250,000

No share options or performance rights were issued to directors, senior personnel or employees during the period or since 31 December 2011.

No unlisted options or performance rights were forfeited during the reporting period due to expiry or employee terminations.

Subsequent to half-year end and prior to the release of this report, 45,000 share options (MDLAU) issued on 19 July 2007 and exercisable at $12.78 expired as per the terms of the employee option agreement.

No person entitled to exercise the option or performance right had or has any rights by virtue of the option to participate in any share issue of any other body corporate. Options do not carry any voting or dividend rights.

There were no other movements in the ordinary share capital or other securities of the company in the current reporting period.

11. DIVIDENDS

During the period, no dividends were paid. The directors have not recommended the payment of a dividend.

12. COMMITMENTS

Commitment to Joint Venture

Upon establishment of TiZir Limited on 1 October 2011, the joint venture partners each committed to contributing $75 million of equity funding throughout 2012.

The company has since contributed $10 million of equity during the six months ended 30 June 2012 and expects to contribute an additional $65 million (of which $20 million has been contributed in July 2012) throughout the remainder of the year.

13. CONTINGENT LIABILITIES

Mineral Deposits Limited and controlled entities

MDL has the following contingent liabilities:

- The company has a deed of cross guarantee with its wholly-owned subsidiaries MDL (Mining) Limited and MDL Gold Limited.
- The company confirmed directly or via its holding subsidiaries that it will continue to provide financial support to its subsidiaries to enable them to meet their obligations as they fall due for a period of not less than 12 months.
- The company's subsidiary Mineral Deposits (Operations) Pty Ltd faces potential contingent liabilities in relation to its rehabilitation obligations on its New South Wales ("NSW") exploration and mining tenements. The nature of these rehabilitation obligations includes revegetation. Some aspects of the rehabilitation obligations extend for a period in excess of 10 years after the cessation of previous mining activities. Ongoing rehabilitation work continues at the sites in NSW, Australia. No adverse situations were reported and work continued as scheduled.
- A$500,000 within 30 days of completion of a bankable feasibility study for the Grande Côte project and on securing all the necessary funding either by debt or equity from an internationally recognised banking or financial institution to develop the project.
- A$500,000 within 30 days of receipt by (the successor to) MDL Senegal SARL, a subsidiary of MDL, of the first payment for a commercial arm's-length sale of product from the Grande Côte project.

The directors are not aware of any other contingent liabilities at 30 June 2012.

TiZir Limited

The company faces contingent liabilities relating to its 50% interest in TiZir Limited. The amounts disclosed below represent the company's share of these potential liabilities:

TiZir Limited faces potential liabilities to its private Senegalese partners in respect of the Grande Côte Mineral Sands Project and has agreed that the following amounts will be payable if the project proceeds to production:

- $75,000 per annum on social development of local communities in the Grande Côte and surrounding region during the term of the Mining Concession, and during the entire period of validity of the Mining Convention, $200,000 for the pre-production and thereafter $200,000 during the period of production; and
- $25,000 per year of production on training of Directorate of Mines and Geology officers and logistical support to the technical services of the Ministry for Mines.

14. SUBSEQUENT EVENTS

There has not been any matter or circumstance occurring subsequent to the end of the reporting period that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

15. KEY MANAGEMENT PERSONNEL

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

Mineral Deposits

CORPORATE DIRECTORY

DIRECTORS

Nic Limb (Executive Chairman)
Rick Sharp (Managing Director)
Martin Ackland (Executive)
Robert Danchin (Non-executive/Deputy Chairman)
David Isles (Non-executive)
James (Murray) Grant (Non-executive)
Tom Whiting (Non-executive)

COMPANY SECRETARY

Kathryn Davies

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Australia

Trading Code: MDL