

# ASX ANNOUNCEMENT

## US\$16.2M GOVERNMENT GRANT FOR TTI ILMENITE UPGRADING FACILITY

TiZir Limited ('TiZir'), jointly owned by Mineral Deposits Limited ('MDL') and ERAMET of France, has received advice that its application for funding, by its wholly owned subsidiary TiZir Titanium & Iron ('TTI'), totalling NOK122m (approximately US\$16.2m) has been approved by Enova, a Norwegian government agency which promotes energy efficiency and the use of environmentally friendly energy technology.

The funds will be received upon final approval by the European Free Trade Association Surveillance Authority (ESA).

As previously announced, beginning in Q3 this year, the TTI upgrading facility will undergo a scheduled refurbishment and a capacity upgrade at a cost of US\$70–80m. These works are a key part of the strategic vision for TiZir. After completion of the works, TiZir will have the flexibility to produce either chloride or sulphate titanium slag, providing the ability to alternate between products as dictated by supply and demand dynamics within the market. Additionally, Grande Côte ilmenite will be the feedstock used to produce chloride titanium slag at TTI, ensuring supply of ilmenite from within the group and reducing any reliance on third party sales of ilmenite.

A vitally important component of TiZir's strategic vision is to continue efforts to enhance its reputation as a supplier of products with very strong environmental credentials. As part of the facility upgrade, TTI will install, test and continue the development of a more environmentally friendly upgrading process that could ultimately reduce TTI's CO<sub>2</sub> emissions by as much as 90% and reduce energy consumption by up to 40%.

Enova's support is most welcome as we strive to make our environmental footprint as low as possible and we look forward to working with Enova to progress this strategy.

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*TiZir Titanium & Iron ilmenite upgrading facility in Tyssedal, Norway*

## ABOUT MDL

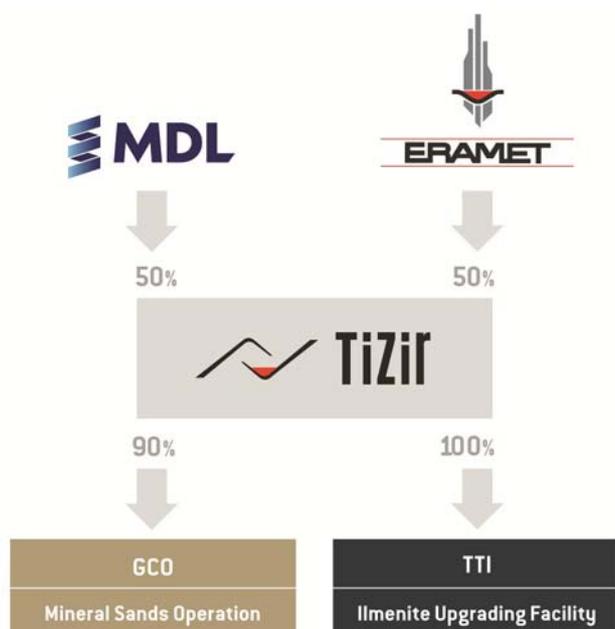
Mineral Deposits Limited (ASX: MDL) is an Australian based mining company in the business of mining, integrating and transforming mineral sands resources.

MDL and ERAMET of France each own 50% of TiZir Limited. TiZir is a globally integrated producer of high grade titanium feedstock and zircon. TiZir owns two highly strategic assets – the Grande Côte mineral sands operation in Senegal, West Africa and the TiZir Titanium & Iron ilmenite upgrading facility in Tyssedal, Norway.

Grande Côte 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 over an expected mine life of at least 20 years.

The TiZir Titanium & Iron ilmenite upgrading facility smelts ilmenite to produce a high-TiO<sub>2</sub> 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 around mid-2015, TiZir will be producing approximately 7% of both global zircon and titanium feedstock supply.



## Forward looking statements

Certain information contained in this report, including any information on MDL's plans or future financial or operating performance and other statements that express management's expectations or estimates of future performance, constitute forward-looking statements.

Such statements are based on a number of estimates and assumptions that, while considered reasonable by management at the time, are subject to significant business, economic and competitive uncertainties. MDL cautions that such statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of MDL to be materially different from the Company's estimated future results, performance or achievements expressed or implied by those forward-looking statements. These factors include the inherent risks involved in exploration and development of mineral properties, changes in economic conditions, changes in the worldwide price of zircon, ilmenite and other key inputs, changes in the regulatory environment and other government actions, changes in mine plans and other factors, such as business and operational risk management, many of which are beyond the control of MDL.

Except as required by applicable regulations or by law, MDL does not undertake any obligation to publicly update, review or release any revisions to any forward looking statements to reflect new information, future events or circumstances after the date of this report.

Nothing in this report should be construed as either an offer to sell or a solicitation to buy or sell MDL securities.

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