

REALISING THE TIZIR VISION

Noosa Mining Conference
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STATEMENTS

MDL OVERVIEW

- MDL's primary asset is a 50% interest in the TiZir joint venture ('TiZir'), which owns the Grande Côte mineral sands operation ('GCO') in Senegal, West Africa and the TiZir Titanium & Iron ilmenite upgrading facility ('TTI') in Tyssedal, Norway. ERAMET of France is MDL's 50% joint venture partner in TiZir.

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 mining, operation of mineral processing facilities, 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.

THE VALUE OF VERTICAL INTEGRATION



VIDEO

OVERVIEW



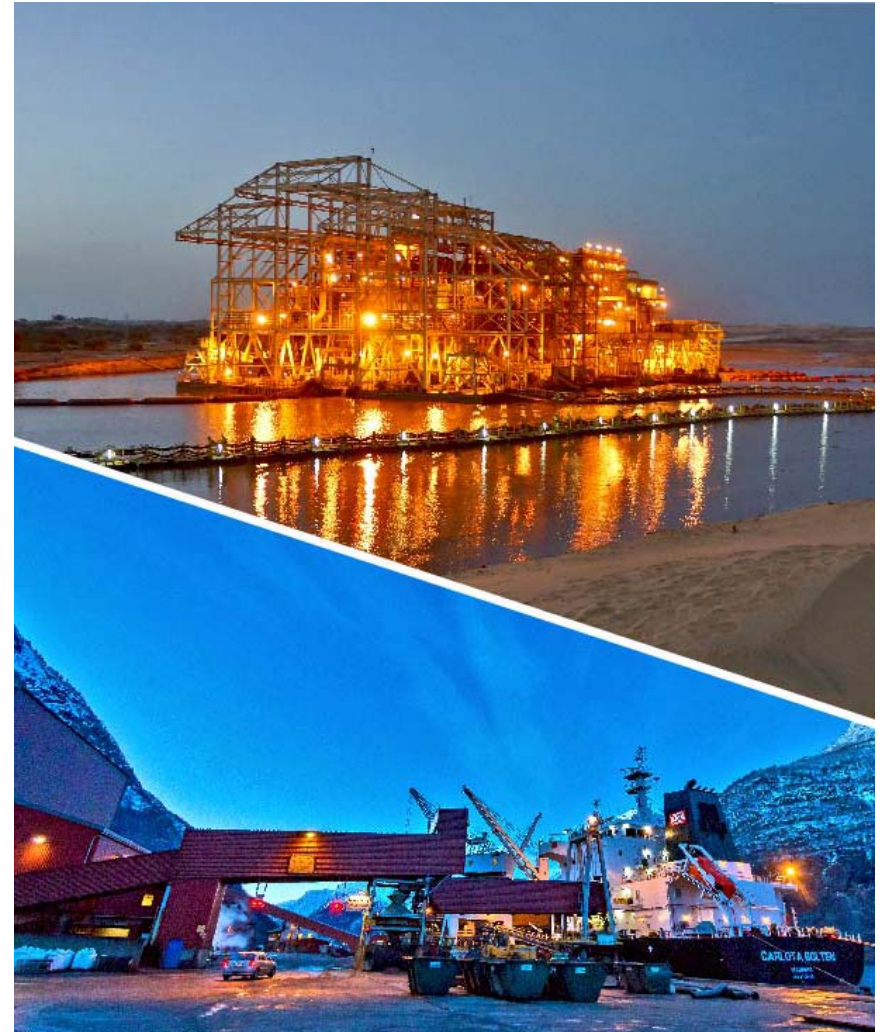
MINE > INTEGRATE > TRANSFORM



HIGHLIGHTS – REALISATION OF THE TIZIR VISION

MDL HAS DELIVERED IN A TOUGH MARKET

- **Successful integration of GCO and TTI**
 - Benefits of integration being realised in 2016
- **Significant improvement in operating results at GCO**
 - Dredge achieving design throughput rates
 - Further improvement in Wet Concentrator Plant availability
 - Mineral Separation Plant wet plant continues to perform to expectations
- **Successful upgrade of TTI operations**
 - Project completed on budget in December 2015
 - Success of new technology (water-cooled copper-ceramic roof)
 - 2016 ramp up progressing well



BENEFITS OF INTEGRATION

TIZIR VISION REALISED THROUGH INTEGRATION OF GCO & TTI

- **Production flexibility**
 - Ability to produce either a chloride or sulphate titanium slag to maximise returns as market conditions dictate
- **Strategy focused on chloride slag production**
 - Higher margin product
 - GCO ilmenite compatible with chloride slag production
 - Prior history of chloride slag production at TTI
 - Logistical advantages for access to chloride slag customers in North America and Europe
 - Environmental benefits
- **GCO offtake security**
 - Limits exposure to lower value, more volatile ilmenite markets
- **TTI supply security**
 - Mitigates exposure to price risk
- **Improved margins**
 - Cost efficiencies
 - Maximise value on sale
 - Targeted production capacity expansion of approximately 15%

MINERAL SANDS MARKET UPDATE

INDUSTRY STRUCTURE CONTRIBUTES TO IMPROVING MARKET DYNAMICS



INDUSTRY CHARACTERISTICS

- Supply-chain for TiO₂ pigment is long and highly consolidated
- Demand and global GDP strongly correlated
- Opaque product pricing
- Emergence of China in 2010

RECENT DEVELOPMENTS

- Pricing currently at historic lows
- Industry response by major producers
 - Closures/idled capacity
 - Inventory destocking
- Greenfield & brownfield investment cancelled or deferred
- Increasing rationalisation in China
- Excess capacity and some inventory overhang prevail

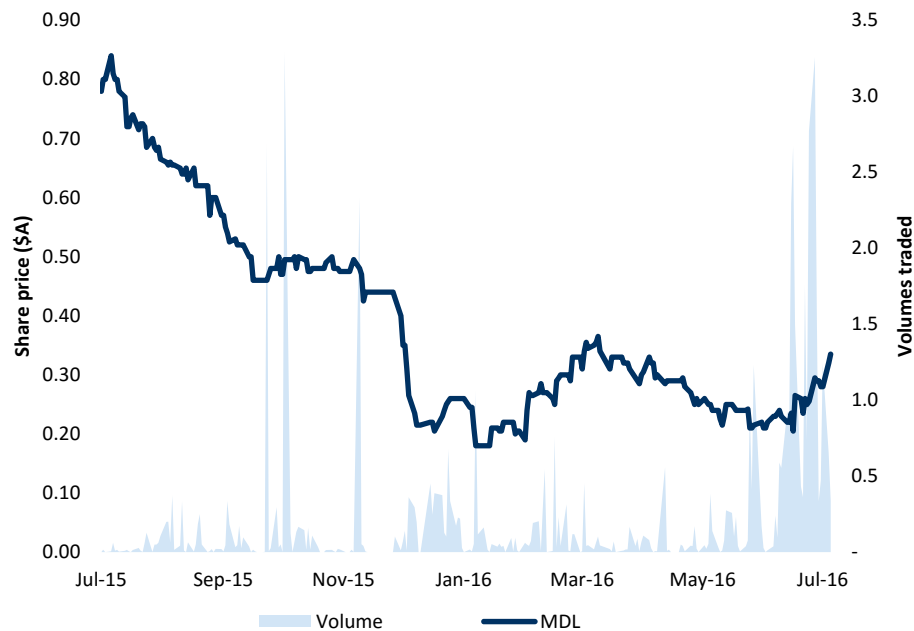
OUTLOOK

- Fundamentals in place for recovery
- Tighter market for chloride slag continues to justify JV strategy
- Increasing global pigment demand
 - Two price increases for producers since December 2015, with potential for more
- Downstream pigment users enjoying healthy margins
- Financial pressures encouraging consolidation and rationalisation

SUBDUED MARKET ENVIRONMENT

IT HAS BEEN A TOUGH YEAR FOR THE MDL SHARE PRICE ...

Share Price (as at 19 July 2016)	A\$0.335
Shares on Issue	103.7m
Market Capitalisation	A\$34.7m
12 month high	A\$0.84
12 month low	A\$0.175



- Commodity price cycle has eroded investor confidence and undermined the performance of resource stocks
- Mineral sands is further disadvantaged given opaque and complex market dominated by a few major producers
- Investor uncertainties generated by:
 - operations in ramp up / optimisation phase
 - MDL and joint venture funding concerns
- Selling by major institutional shareholders exacerbated by:
 - trading illiquidity
 - level of market capitalisation

SIGNIFICANT LEVERAGE FOR SHAREHOLDERS & NEW INVESTORS

... THE OUTLOOK IS POSITIVE

Significant value leverage

- ✓ • Present market value not reflective of current industry fundamentals
- Improving sector outlook presents opportunity for value creation

Substantial five year capital program complete

- ✓ • Quality assets largely de-risked – focus now on optimisation and cost efficiency

Realisation of benefits from implementation of recent corporate strategy

- ✓ • Integrated operation to maximise margin and minimise risk

- ✓ **Improving financial performance at TiZir even in the current commodity price environment**

- ✓ **50/50 Partnership with ERAMET, a major global player in manganese and nickel mining & smelting**

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