

## ASX ANNOUNCEMENT

### OPERATIONAL INCIDENT AT TIZIR TITANIUM & IRON

Mineral Deposits Limited ('MDL' or 'Company') has become aware overnight of an operational incident at the TiZir Titanium and Iron ilmenite upgrading facility ('TTI') in Tyssedal, Norway resulting in damage to the surrounds of the furnace. MDL is a 50% owner of the facility via its interest in TiZir Limited.

While investigations are continuing, an early prognosis is that the furnace will be off-line for a period of 4 to 5 weeks. The Company's current view is that there is no connection between the incident and the recent project to expand furnace capacity at TTI, nor the transition from sulphate to chloride slag production.

A preliminary estimate of the costs to repair is approximately US\$5 million (on a 100% basis); however, the final amount will be dependent on the result of continuing investigations.

TiZir has insurance cover against these risks and will be making a claim on its insurers for losses incurred as a result of the incident.

MDL is pleased to report there were no injuries to TTI personnel as a result of the incident.

The Company will continue to keep the market updated.

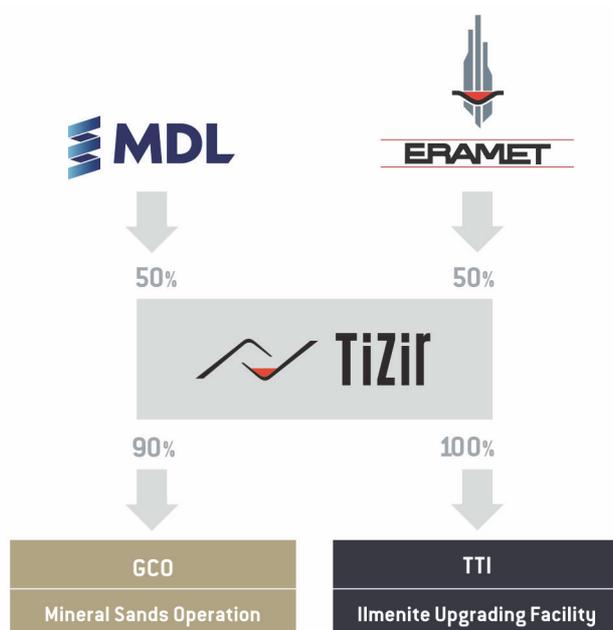
**ABOUT MDL**

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

MDL owns 50% of the TiZir joint venture in partnership with ERAMET of France. The TiZir joint venture comprises two integrated, operating assets – the Grande Côte mineral sands operation ('GCO') in Senegal, West Africa and the TiZir Titanium & Iron ilmenite upgrading facility ('TTI') in Tyssedal, Norway.

GCO is a large-scale, cost competitive mineral sands operation located in Senegal that is fully integrated from mine-to-ship, using owned or controlled infrastructure. GCO commenced mining activities in March 2014 and, over an expected mine life of at least 25 years, will primarily produce high quality zircon and ilmenite. A majority of GCO's ilmenite is sold to TTI. GCO also produces small amounts of rutile and leucoxene.

TTI upgrades GCO ilmenite to produce high-quality titanium feedstocks, primarily sold to pigment producers, and a high-purity pig iron, a valuable co-product, which is sold to ductile iron foundries. TTI benefits from access to cheap and clean power, and excellent logistics, in particular, year-round shipping capacity and customer proximity.



**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 and mineral processing operations, 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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