

## RETAIL OFFER DOCUMENT

Further to the announcement of 2 March 2017 in relation to an institutional placement and a pro rata accelerated non-renounceable entitlement offer (**Entitlement Offer**), Mineral Deposits Limited is pleased to provide the Retail Offer Document that will be dispatched to shareholders on Thursday, 9 March 2017.

As announced, the retail component of the Entitlement Offer invites eligible retail shareholders to subscribe for 3 New Shares for every 4 existing shares held as at 7.00pm (Melbourne time) on Monday, 6 March 2017, at an offer price of A\$0.42 per New Share. Eligible retail shareholders may also apply for additional New Shares in excess of their entitlement in a 'top up' facility.

The Entitlement Offer is non-renounceable and entitlements will not be tradeable on the ASX or otherwise transferable. Shareholders who do not take up their entitlement in full will not receive any value in respect of those entitlements they do not take up.

The Retail Entitlement Offer opens on Thursday, 9 March 2017 and is expected to close on Monday, 20 March 2017.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

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**IMPORTANT NOTICES**

This notice may not be released or distributed in the United States. This notice does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The entitlements and the new shares to be offered and sold in the Placement, Institutional Entitlement Offer and Retail Entitlement Offer have not been, and will not be, registered under the US Securities Act of 1933 (the **US Securities Act**) or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States unless they are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The information contained in this announcement does not constitute financial product advice (nor investment, taxation, accounting or legal advice), is not a recommendation to acquire MDL shares and is not intended to be used or relied upon as the basis for making an investment decision. This announcement has been prepared without taking into account the investment objectives, financial position or needs of any individuals. Before making any investment decisions, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and should seek investment, legal, accounting and taxation advice appropriate to their jurisdiction. MDL is not licensed to provide financial product advice in respect of MDL shares. Cooling off rights do not apply to the acquisition of MDL shares pursuant to the Placement, Institutional Entitlement Offer and Retail Entitlement Offer.

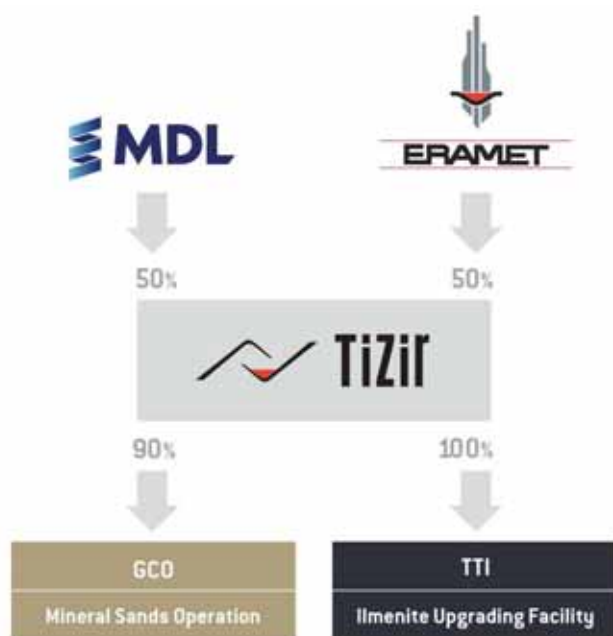
## ABOUT MDL

Mineral Deposits Limited (ASX: MDL) is an established, ASX-listed, integrated mining company with a 50% equity interest in TiZir Limited ('TiZir') 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, financing risks, 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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# RETAIL OFFER DOCUMENT

## Mineral Deposits Limited ACN 064 377 420

Offer in relation to a fully underwritten non-renounceable Retail Entitlement Offer of 3 New Shares for every 4 Existing Shares at A\$0.42 to raise approximately A\$24.2 million.

The Retail Entitlement Offer opens on 9 March 2017 and closes at 5.00pm (Melbourne time) on 20 March 2017 (unless extended).

This Retail Offer Document is an important document and requires your immediate attention. It should be read in its entirety before you decide whether to participate in the Retail Entitlement Offer. If you have any questions about any part of the Retail Offer Document you should consult your professional adviser.

This document is dated 6 March 2017.

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This document may not be distributed in any country outside Australia or New Zealand.

**MINERAL DEPOSITS LIMITED**  
ACN 064 377 420



# Retail Offer Document in relation to an underwritten pro rata non-renounceable Retail Entitlement Offer

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## Important information

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Defined terms used in these important notices have the meaning given in this Retail Offer Document.

### NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

The information in this Retail Offer Document is not a prospectus, product disclosure statement, disclosure document or other offering document under the Corporations Act (or any other law) and has not been lodged with ASIC.

This Retail Offer Document must not be released or distributed in the United States. This Retail Offer Document does not constitute an offer to sell, or the solicitation of an offer to buy, securities in the United States or any other jurisdiction in which such an offer would be illegal. Neither the Entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (**US Securities Act**), or any securities laws of any state or other jurisdiction of the United States. Accordingly, the securities may not be offered or sold directly or indirectly in the United States unless they have been registered under the US Securities Act (which Mineral Deposits Limited has no obligation to do or procure) or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable United States state securities laws.

This Retail Offer Document may contain certain forward-looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan', 'consider', 'foresee', 'aim', 'will' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company. Risks associated with the Company's business/ assets and general risks may include: risks related to current and future funding arrangements that are integral to the continuance of mining and mineral processing at TiZir Limited's (**TiZir**) operations as well as Mineral Deposits Limited's (**MDL or Company**) realisation of the value of its investment in TiZir; risks associated with TiZir being unable to fund a shortfall in cash flow and MDL not being in a position to fund its share (of the shortfall); general market risks associated with commodity price and demand fluctuations; uncertainty regarding resource and reserve estimates; operational risks resulting in delays or difficulties with product delivery or mining, processing and production optimisation/ramp up; asset realisation risks; dependence on key personnel as well as other employment and labour relations risks; inadequate insurance cover; changes to input costs, inflation and foreign exchange rates that could increase operating and capital costs; restrictions on the repatriation of earnings; licensing and permitting risks, including changes, limitations or challenge to MDL and TiZir's mining rights and interests; health, safety, security, environment and/or community incidents impacting MDL and TiZir's operations and/or reputation; unanticipated or higher than expected rehabilitation, closure and reclamation costs; political and foreign operations risks including but not limited to political, legal and fiscal changes in the places where MDL and TiZir operate; joint venture risks associated with a breakdown in relationships or a contravention of joint venture agreements; litigation risks; constraints on Company growth; liabilities associated with strategic investments, acquisitions or divestitures; and general risks which may impact the Company's share price and which are outside the control of the Company, including but not limited to: Australian and worldwide economic and political stability, natural disasters, performance of the Australian stock market as a whole, the Australian interest rate, foreign exchange and taxation. In addition, there are risks associated with the Entitlement Offer such as: market risks (for example the market price of New Shares may trade at or below their issue price); the potential dilutionary impact on current Shareholders in respect of the Shares issued under the Placement and the Entitlement Offer; no guarantee of any payment of dividends on Shares; changes in tax treatment relating to an investment in MDL's Shares; and the Underwriting Agreement in respect of the underwriting of the entire Entitlement Offer is subject to customary termination events. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements.

This Retail Offer Document is not financial product or investment advice nor a recommendation to acquire New Shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and obtain legal, taxation and financial advice appropriate to their jurisdiction and circumstances. No cooling-off regime applies to the acquisition of New Shares under this Retail Offer Document.

The Company is not licensed to provide financial product advice in respect of New Shares.

An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Company, including possible loss of income and principal invested. The Company does not guarantee any particular rate of return or the performance of the Company, nor does it guarantee the repayment of capital from the Company or any particular tax treatment. In considering an investment in New Shares, investors should have regard to (among other things) the risks and disclaimers outlined in this Retail Offer Document.

## Key dates

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This Retail Offer Document is dated 6 March 2017.

The following are key dates relating to the Entitlement Offer.

Activity	Date
Announcement of the capital raising and trading halt	2 March 2017
Institutional Entitlement Offer and Placement bookbuild opens	2 March 2017
Institutional Entitlement Offer and Placement bookbuild closes	3 March 2017
Shares resume trading on an ex-entitlement basis	6 March 2017
Retail Entitlement Offer Record Date (7.00pm Melbourne time)	6 March 2017
Retail Entitlement Offer opens (9.00am Melbourne time)	9 March 2017
Retail Offer Document and Entitlement and Acceptance Forms dispatched to Eligible Retail Shareholders	9 March 2017
Settlement of Shares issued under the Institutional Entitlement Offer and Placement	10 March 2017
Allotment and commencement of trading of Shares issued under the Institutional Entitlement Offer and Placement*	13 March 2017
Retail Entitlement Offer closes (5.00pm Melbourne time)*	20 March 2017
Settlement of New Shares issued under the Retail Entitlement Offer*	24 March 2017
Allotment of New Shares issued under the Retail Entitlement Offer*	27 March 2017
Commencement of normal trading of New Shares issued under the Retail Entitlement Offer*	28 March 2017

The dates marked with \* are indicative only and are subject to change. The Company reserves the right to amend indicative dates at any time with the agreement of the Underwriter and, in particular, subject to the Corporations Act and ASX Listing Rules, to extend the latest date for receipt of Entitlement and Acceptance Forms, to accept late Entitlement and Acceptance Forms either generally or in particular cases, or to cancel the Entitlement Offer without prior notice.

## Chairman's letter

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6 March 2017

Fellow Shareholder

On behalf of Mineral Deposits Limited (**MDL or Company**), I am pleased to invite you to participate in the retail component of a fully underwritten 3 for 4 accelerated non-renounceable entitlement offer of new MDL ordinary shares (**New Shares**) at an issue price of A\$0.42 per New Share (**Retail Entitlement Offer**).

On Thursday, 2 March 2017, the Directors of your Company announced their intention to raise approximately A\$39.2 million through an institutional placement (raising approximately A\$6.5 million) (**Placement**) and an accelerated non-renounceable entitlement offer (raising approximately A\$32.7 million) (**Entitlement Offer**) (the Placement and the Entitlement Offer collectively, **Capital Raising**). The Placement and the institutional accelerated component of the Entitlement Offer (**Institutional Entitlement Offer**) was successfully completed on Friday, 3 March 2017. The Capital Raising is fully underwritten by Morgans Corporate Limited (**Underwriter**).

The issue price of A\$0.42 per New Share represents a 12.5% discount to the last traded price of MDL Shares before the Capital Raising was announced (being A\$0.48 on Wednesday, 1 March 2017).

This invitation relates to the Retail Entitlement Offer, which is expected to raise up to approximately A\$24.2 million. The Retail Entitlement Offer offers Eligible Retail Shareholders the same opportunity offered to those investors who participated in the Institutional Entitlement Offer. Eligible Retail Shareholders who accept their Entitlement in full will have the opportunity to apply for Additional New Shares in excess of their Entitlement (subject to scale back at the sole discretion of your Company) under a 'top up' facility (**Top Up Offer**).

The proceeds of the Capital Raising will be used primarily to repay ERAMET, MDL's partner in the TiZir joint venture (**TiZir**), for funds previously advanced to your Company to enable MDL to meet its joint venture commitments. The total amount outstanding to ERAMET at 31 December 2016 was US\$13.8 million. Of this amount, US\$7.5 million was payable by MDL on or before 31 December 2016, with the remaining balance payable on or before 31 March 2017. Assuming the debt outstanding to ERAMET is not repaid before 31 March 2017, the maximum balance payable, including accrued interest, is expected to be US\$14.1m. However, your Company intends to extinguish the total debt balance following settlement of the Capital Raising.

Proceeds raised from the Capital Raising over and above the amount due to ERAMET (and Capital Raising transaction costs) are intended to be made available to TiZir, if required, to fulfil your Company's obligations with respect to the TiZir Committed Facility (**Committed Facility**), including up to US\$6.2m which may be required in March 2017 to fund TiZir's senior secured corporate bond obligations. The Committed Facility, which is fully underwritten by ERAMET, was put in place by ERAMET and MDL following discussions with TiZir bondholders in December 2015 and has been made available to TiZir primarily for the payment of interest up until maturity of the TiZir bond. Any remaining proceeds from the Capital Raising will be used for the general working capital commitments of TiZir and MDL.

Your Company made some significant advances in 2016, particularly in the areas of optimising operations, safety and cost efficiencies. As a result, we have a strong operating platform to take advantage of what we see as the improving outlook for our commodities in 2017. This Capital Raising will help underwrite the Company's position, alleviate the risk of dilution of our joint venture interest and ensure MDL shareholders will benefit from any future value accretion that is generated by your Company.

This Retail Offer Document contains important information about the Retail Entitlement Offer, such as:

- details of the Retail Entitlement Offer, including key dates;
- MDL's Investor Presentation and ASX Announcements in relation to the Capital Raising; and
- actions to be taken by Eligible Retail Shareholders.

A personalised Entitlement and Acceptance Form accompanies this Retail Offer Document. This form details your entitlement. If you want to participate in the Retail Entitlement Offer this form must be completed in accordance with the instructions contained in the form before the offer closes. Unless extended, the **Retail Entitlement Offer closes at 5.00pm (Melbourne time) on Monday, 20 March 2017**.

My fellow board members and I intend to take up our full Entitlement. In compliance with the ASX Listing Rules, we will not be applying for any additional New Shares under the Top Up Offer applicable to the Retail Entitlement Offer.

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up some or all of their entitlements will not receive any value in respect of those Entitlements they do not take up.

You should consult your stockbroker, accountant or other independent professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer. You should also refer to the *Appendix 1 – Key Risks* section of MDL's Investor Presentation in relation to the Capital Raising which was released to ASX on Thursday, 2 March 2017 and is included in this Retail Offer Document.

I encourage you to carefully read this Retail Offer Document and consider this investment opportunity. Should you require further assistance, please contact the MDL Shareholder Information Line on 1300 850 505 (within Australia) or +61 3 9415 5000 (outside Australia) between 8:30am and 5:00pm (Melbourne time) Monday to Friday during the Offer Period for further information.

On behalf of the Board of MDL, I thank you for your ongoing support.

Yours sincerely

Nic Limb  
Chairman

### 1. Details of the Entitlement Offer

#### 1.1 The Entitlement Offer

The Company is conducting a fully underwritten 3 for 4 pro rata accelerated non-renounceable entitlement offer to Shareholders as at the Record Date in Australia and New Zealand at the Issue Price of A\$0.42 per New Share.

##### *Institutional Entitlement Offer*

On Monday, 6 March 2017, the Company announced that it had successfully completed the Institutional Entitlement Offer, raising approximately A\$8.5 million. Settlement of the Institutional Entitlement Offer is expected to occur on Friday, 10 March 2017. Shares to be issued under the Institutional Entitlement Offer are expected to be allotted and commence trading on Monday, 13 March 2017.

##### *Retail Entitlement Offer*

Each Eligible Retail Shareholder is entitled to apply for 3 New Shares for every 4 Existing Shares held on the Record Date. The Retail Entitlement Offer is non-renounceable. This means that Shareholders who do not take up their Entitlements by 5.00pm (Melbourne time) on the Closing Date of Monday, 20 March 2017 will not receive any payment or value for those Entitlements, and their proportionate equity interest in the Company will be diluted.

The number of New Shares to which you are entitled is shown on the accompanying Entitlement and Acceptance Form. If you have more than one registered holding of shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

Fractional entitlements to New Shares have been rounded up to the nearest whole number of New Shares.

New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally with Existing Shares on issue, including in respect of entitlement to dividends. If you take no action you will not be allocated any New Shares and your Entitlement will lapse.

To qualify for the Retail Entitlement Offer, a Shareholder must:

- (a) be registered as a Shareholder at 7.00pm (Melbourne time) on the Record Date;
- (b) have an address in Australia or New Zealand as recorded on the Company's share register as at the Record Date;
- (c) not have received an offer (other than as nominee) under the Institutional Entitlement Offer (and have not been treated as an ineligible institutional Shareholder under the Institutional Entitlement Offer);
- (d) not be in the United States and not be acting for the account or benefit of a person in the United States (to the extent such a person holds securities in MDL for the account or benefit of such persons in the United States); and
- (e) be eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus, disclosure document, or any lodgement, filing, registration or qualification,

##### **(Eligible Retail Shareholder).**

Retail Shareholders who are not Eligible Retail Shareholders are 'Ineligible Retail Shareholders'. MDL reserves the right in its sole and absolute discretion to determine whether a Shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

By returning a completed personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Retail Shareholder. Nominees, trustees or custodians are therefore requested to obtain independent professional advice as to how to proceed.

MDL may (in its absolute discretion) extend the Retail Entitlement Offer to any institutional Shareholder that was eligible to participate in the Institutional Entitlement Offer but was not invited to participate in the Institutional Entitlement Offer or to other retail Shareholders (subject in each case to compliance with relevant laws).

By receiving this Retail Offer Document, you will be taken to have acknowledged and agreed that determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of MDL and each of MDL and the Underwriter and its affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

#### 1.2 Purpose of the Entitlement Offer

The proceeds of the Entitlement Offer will be used to:

- repay outstanding debt to ERAMET (a maximum of US\$14.1 million subject to timing of repayment);
- provide funding to TiZir, if required, to fulfil the Company's obligations with respect to the TiZir Committed Facility, including up to US\$6.2 million which may be required in March 2017 to fund TiZir's senior secured corporate bond obligations;
- meet the costs of the Entitlement Offer; and
- fund the general working capital commitments of TiZir and MDL, should any balance remain.

Further details regarding the use of funds are set out in the Investor Presentation.

### 1.3 Top Up Offer

Eligible Retail Shareholders who take up their Entitlements in full are also able to participate in a further offer of Additional New Shares, being the New Shares that have been initially offered to Eligible Retail Shareholders under the Retail Entitlement Offer and have not been taken up by them.

In addition:

- (a) the Top Up Offer is only made to Eligible Retail Shareholders who have fully taken up their Entitlements;
- (b) the Top Up Offer is not capped but no Eligible Retail Shareholder may receive any New Shares which would result in the relevant Shareholder having Voting Power in the Company in excess of 20% of the total issued share capital of the Company;
- (c) there is no guarantee that any Application for Additional New Shares under the Top Up Offer will be successful and the Directors reserve the right to issue any shortfall by way of the Top Up Offer or by other means;
- (d) the Top Up Offer has the same Closing Date;
- (e) the Issue Price of Additional New Shares under the Top Up Offer is the same as the Issue Price, which is A\$0.42 per Additional New Share; and
- (f) the Company will not issue Additional New Shares under the Top Up Offer where to do so would be likely to result in a breach of its constitution, the Corporations Act or the ASX Listing Rules.

### 1.4 Underwriting

The Entitlement Offer is underwritten by Morgans Corporate Limited subject to the terms and conditions of the Underwriting Agreement dated 2 March 2017. Please refer to Section 8 of this Retail Offer Document for further details.

It is important to note that the Underwriter will be acting for and providing services to the Company in relation to the Entitlement Offer and will not be acting for or providing services to Shareholders. The Underwriter has been engaged solely as an independent contractor and is acting solely in a contractual relationship on an arm's-length basis with the Company. The engagement of the Underwriter by the Company is not intended to create any agency or other relationship between the Underwriter and Shareholders.

### 1.5 Issue of New Shares

New Shares under the Retail Entitlement Offer are expected to be issued on or around Monday, 27 March 2017 (subject to variation at the absolute discretion of the Company). Fractional entitlements to New Shares will be rounded up to the nearest whole number of New Shares.

The Company reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if their claims prove to be overstated or otherwise incorrect or if they fail to provide information to substantiate their claims.

### 1.6 ASX quotation

The Company has applied for official quotation of New Shares issued under this Retail Offer Document. If permission for quotation is not granted by ASX, the New Shares will not be issued and Application Monies will be refunded (without interest) as soon as practicable.

### 1.7 Application Monies

Until New Shares are issued, the Company will hold the Application Monies in one or more bank accounts in Australia. The account(s) will be established and kept solely for the purpose of depositing Application Monies and retaining those funds for as long as required.

Any interest accrued on Application Monies will not be paid to the relevant Eligible Retail Shareholder, including if the Retail Entitlement Offer is cancelled or withdrawn.

### 1.8 Market prices for Shares on ASX

The lowest and highest market prices of Shares on ASX during the three months immediately preceding the announcement of the Entitlement Offer on Thursday, 2 March 2017 were A\$0.40 and A\$0.58 respectively. The Issue Price of A\$0.42 per New Share represents a 12.5% discount to the closing price of the Company's Shares on ASX on Wednesday, 1 March 2017, which was the last day Shares traded on the ASX before the announcement of the Entitlement Offer and a 7.0% discount to TERP, the theoretical ex-rights price.

### 1.9 Foreign Shareholders

The New Shares being offered under this Retail Offer Document are being offered to Eligible Retail Shareholders who must have registered addresses in Australia or New Zealand.

The Retail Entitlement Offer will not be offered to Non Eligible Foreign Shareholders. The Company has determined that it is not economically viable for it to make offers to Non Eligible Foreign Shareholders due to the cost of meeting compliance requirements with securities laws in each applicable jurisdiction in which Non Eligible Foreign Shareholders have their registered address. The Company reserves the right in its absolute discretion to make an offer under the Retail Entitlement Offer to a Shareholder with an address in the Company's share register outside Australia or New Zealand if the Company is satisfied that it is not precluded from lawfully offering or issuing New Shares to that Shareholder either unconditionally or after compliance with conditions which the Board in its sole and absolute discretion regards as acceptable.

This Retail Offer Document does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register the New Shares or otherwise permit an offering of New Shares in any jurisdiction outside of Australia or New Zealand.

The distribution of this Retail Offer Document outside Australia or New Zealand may be restricted by law. If you come into possession of this Retail Offer Document, you should observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws.

The Retail Entitlement Offer is not available to Shareholders that are in the United States or who are acting for the account or benefit of persons in the United States. Neither the Entitlements nor the New Shares offered and sold in the Entitlement Offer have been, nor will be registered under the US Securities Act, or under the securities laws of any state or other jurisdiction of the United States. Accordingly, entitlements may not be issued to or exercised by, and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States, except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the US Securities Act and any other applicable securities laws. The Entitlements and the New Shares offered and sold in the Entitlement Offer may only be offered and sold to persons that are not in the United States and are not acting for the account or benefit of persons in the United States, in each case, in 'offshore transactions' in reliance on Regulation S under the US Securities Act.

#### **1.10 Nominees and custodians**

Due to legal restrictions, nominees and custodians may not send copies of this Retail Offer Document or any material relating to the Retail Entitlement Offer or accept the Retail Entitlement Offer in relation to any person in the United States, or any person who is acting for the account or benefit of a person in the United States, or to any person in any other jurisdiction outside Australia or New Zealand except to beneficial Shareholders who are institutional or professional investors in certain foreign countries to the extent contemplated in the Investor Presentation under the *Appendix 2 – Foreign selling restrictions* section or as the Company may otherwise permit on compliance with applicable law.

#### **1.11 Taxation implications**

Taxation is only one of the matters that must be considered when making a decision in relation to New Shares and any Additional New Shares.

Shareholders should be aware that there may be taxation implications of participating in the Retail Entitlement Offer and applying for New Shares. The taxation consequences of participating in the Retail Entitlement Offer and/or acquiring New Shares may vary depending on the individual circumstances of each Shareholder.

The Company does not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares (and Additional Shares) under the Retail Entitlement Offer, or the disposal of any New Shares (and Additional Shares) allotted and issued. The Company does not accept any responsibility in this regard, and Eligible Retail Shareholders should consult their own professional taxation advisers to obtain advice in relation to the taxation laws and regulations applicable to their personal circumstances.

#### **1.12 Risks**

There are a number of risks associated with an investment in the Company which may affect its financial performance, financial position, cash flows, distributions, growth prospects and Share price. The key risk factors are set out in the *Appendix 1 – Key Risks* section of the Investor Presentation included in this Retail Offer Document.

#### **1.13 Regular reporting and disclosure**

The Company is a disclosing entity for the purposes of the Corporations Act and accordingly is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the market. In particular, the Company has an obligation (subject to certain limited exceptions) to notify ASX once it is, or becomes, aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Company's securities. Announcements made by the Company are available from the Company's website [www.mineraldeposits.com.au](http://www.mineraldeposits.com.au) or ASX's website [www.asx.com.au](http://www.asx.com.au).

Additionally, the Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors' statement and report, and an audit or review report. These reports are released to ASX and published on the Company and ASX websites.

#### **1.14 Rights and liabilities attaching to New Shares**

New Shares issued under this Retail Offer Document will be fully paid ordinary shares in the capital of the Company and will rank equally with all Existing Shares, including for any dividend paid after the date of issue of the New Shares.

The rights and liabilities attaching to Shares are set out in the Company's constitution and are regulated by the Corporations Act, the general law, the ASX Listing Rules and the ASX Settlement Rules. The constitution may only be varied by a special resolution passed by at least 75% of the votes cast by Shareholders in general meeting present (and entitled to vote) at the meeting.

#### **1.15 Disclaimer**

No person is authorised to give any information or make any representation in connection with the Retail Entitlement Offer described in this Retail Offer Document that is not contained in this Retail Offer Document. Any information or representation not contained in this Retail Offer Document may not be relied on as having been authorised by the Company in connection with the Retail Entitlement Offer.

#### **1.16 Financial amounts**

Money as expressed in this Retail Offer Document is in Australian dollars unless otherwise indicated. Any discrepancies between totals in tables and sums of components in tables in this Retail Offer Document and between those figures and figures referred to in other parts of this document may be due to rounding.

#### **1.17 Privacy**

Chapter 2C of the Corporations Act requires information about you as a Shareholder (including your name, address and details of your Shares) to be included in the public register of members of the Company. Information is collected to administer your Shares. Your personal information may be disclosed to the Company. You can obtain access to your personal information by contacting the Share Registry at the address or telephone number listed in the corporate directory. The Share Registry's privacy policy is available on its website [www.computershare.com/au](http://www.computershare.com/au).

### 1.18 Broker Handling Fee

A handling fee of 1% of the Application amount (plus GST) of New Shares (subject to a maximum handling fee of A\$150) (**Broker Handling Fee**) under the Entitlement Offer will be paid to stockbrokers (being those entities recognised as full service brokers or non-advisory brokers by ASX) who submit a valid claim for a Broker Handling Fee on successful Applications.

### 1.19 Governing Law

This Retail Offer Document, the Retail Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in Victoria, Australia. Each Applicant for New Shares and any Additional New Shares submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

## 2. Required Actions

### 2.1 Eligible Retail Shareholders – Australia and New Zealand

If you are an Eligible Retail Shareholder you may:

- take up all or part of your Entitlement in accordance with this Retail Offer Document;
- take up all of your Entitlement and also apply for Additional New Shares under the Top Up Offer; or
- decline to take up some or all of your Entitlement.

If you are an Eligible Retail Shareholder and wish to take up all or part of your Entitlement:

- (a) read this Retail Offer Document in full;
- (b) consider the risks associated with the Entitlement Offer, as summarised in the *Appendix 1 – Key Risks* section of the Investor Presentation included in this Retail Offer Document, in light of your personal circumstances;
- (c) decide whether to participate in the Retail Entitlement Offer;
- (d) make payment and apply for New Shares by either:

Mail

Complete the Entitlement and Acceptance Form accompanying this Retail Offer Document in accordance with the instructions set out in the form. If you have not received an Entitlement and Acceptance Form please call the Share Registry on 1300 850 505 (within Australia) or +61 3 9415 5000 (outside Australia).

Return the completed Entitlement and Acceptance Form together with payment in accordance with Section 2.2 of this Retail Offer Document, using the enclosed envelope or to the following address so that it is received by no later than 5.00pm (Melbourne time) on Monday, 20 March 2017 (or such other date as may be determined by the Company):

*Australia & New Zealand – By mail – postal delivery*

Delivery address:       Computershare Investor Services Pty Limited  
                                  GPO Box 505  
                                  MELBOURNE VIC 3001

Completed Entitlement and Acceptance Forms and Application Monies will not be accepted at the Company's registered office.

Or,

BPAY®

Make payment through BPAY® in accordance with the instructions in the Entitlement and Acceptance Form accompanying this Retail Offer Document.

If you pay by BPAY® you do not need to lodge the Entitlement and Acceptance Form.

A reply paid envelope is enclosed for your convenience. If mailed in Australia, no postage stamp is required. If mailed from New Zealand, correct postage must be affixed. Eligible Retail Shareholders in New Zealand should ensure that their Entitlement and Acceptance Form and Application Monies are mailed early to ensure they arrive at the postal address specified above by 5.00pm (Melbourne time) on Monday, 20 March 2017 (or such other date as may be determined by the Company).

### 2.2 Payment

The Issue Price of A\$0.42 per New Share is payable for each New Share you take up under your Entitlement. For all Australian and New Zealand Eligible Retail Shareholders payments must be received by 5.00pm (Melbourne time) on Monday, 20 March 2017 (or such other date as may be determined by the Company).

Shareholders should be aware of the time required to process payments by cheque, electronic funds transfer and BPAY® in choosing the appropriate application and payment method.

Payment will only be accepted in Australian currency and must be:

- by cheque, money order or bank draft drawn on an Australian financial institution, made payable to 'Mineral Deposits Limited – Retail Offer' and crossed Not Negotiable; or
- through the BPAY® facility according to the instructions set out in the Entitlement and Acceptance Form.

Cash will not be accepted. Receipts for payment will not be issued. If you provide insufficient funds to meet the Application Monies due to take up all or part of your Entitlement, you may be taken by the Company to have applied for such lower number of New Shares as your cleared Application Monies will pay, or your Application may be rejected.



Any Excess Amount may be treated as an Application to apply for Additional New Shares under the Top Up Offer to the value of your Excess Amount. Your Application for the Additional New Shares may not be successful (wholly or partially). Any surplus Application Monies received for more than your final allocation of any Additional New Shares will be refunded (only where the amount is A\$5.00 or greater). You are not entitled to, and the Company will retain for its own use and benefit, any interest that accrues on any Application Monies received or returned (wholly or partially).

#### *Eligible Retail Shareholders may pay through BPAY®*

Australian Eligible Retail Shareholders and New Zealand Eligible Retail Shareholders with an Australian bank account may pay through BPAY®. Payment by BPAY® should be made in accordance with the instructions set out in the Entitlement and Acceptance Form using the reference number shown on that form and must be received by no later than 5.00pm (Melbourne time) on Monday, 20 March 2017 (or such other date as may be determined by the Company). Applicants should be aware that their own financial institution may implement earlier cut off times with regard to electronic payment. Applicants should therefore take this into consideration when making payment. It is the responsibility of the Applicant to ensure that funds submitted through BPAY® are received by this time.

The reference number is used to identify your holding. If you have multiple holdings you will also have multiple reference numbers. You must use the reference number shown on each Entitlement and Acceptance Form to pay for each holding separately. If you pay by BPAY® and do not pay for your full Entitlement, your remaining Entitlements will lapse.

If you make your payment by BPAY® you do not need to return the Entitlement and Acceptance Form.

Your completed Entitlement and Acceptance Form or BPAY® acceptance, once received by the Share Registry, cannot be withdrawn. No cooling-off regime applies to applications for New Shares or Additional New Shares.

### **2.3 Applying for additional shares under Top Up Offer**

If you have applied for your full Entitlement, you may wish to apply for more New Shares than the number shown on your Entitlement and Acceptance Form under the Top Up Offer. To do this, complete the '*Number of Additional New Shares applied for*' section provided in the Entitlement and Acceptance Form.

If you are applying by BPAY® to take up your Entitlement in full and wish to apply for Additional New Shares under the Top Up Offer, make a payment for more than your Entitlement. The Excess Amount will be taken to be an application for Additional New Shares under the Top Up Offer.

Applications for Additional New Shares under the Top Up Offer may be considered if and to the extent that not all Shareholders take up their full Entitlement. Applications for Additional New Shares are not capped but no Eligible Retail Shareholder may receive any New Shares which would result in the relevant Shareholder having Voting Power in the Company in excess of 20% of the total issued share capital of the Company. The Directors reserve the right to issue any shortfall by way of the Top Up Offer or by other means. There is no guarantee that any Applications under the Top Up Offer will be successful.

### **2.4 Declining all or part of your Entitlement**

If you decide not to take up all or part of your Entitlement, the Entitlement which is unexercised will lapse and may be taken up by other Eligible Retail Shareholders under the Top Up Offer or the Underwriter (or persons they nominate). Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable and cannot be traded on the ASX or any other financial market, nor can it be privately transferred. Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

If you decide not to participate in the Retail Entitlement Offer, you do not need to fill out or return the accompanying Entitlement and Acceptance Form or do anything else in relation to the offer. Although you will continue to own the same number of Shares, your percentage shareholding in the Company will be diluted.

### **2.5 Non Eligible Foreign Shareholders**

If you are a Non Eligible Foreign Shareholder, you may not take up any of, or do anything in relation to, your Entitlement under the Retail Entitlement Offer.

### **2.6 Warranties made on acceptance of Retail Entitlement Offer**

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will be deemed to have acknowledged, represented and warranted that you, and each person on whose account you are acting, are an Eligible Retail Shareholder or otherwise eligible to participate.

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that:

- (a) you and each person on whose account you are acting are not in the United States and you are not acting for the account or benefit of a person in the United States, and are not otherwise a person to whom it would be illegal to make an offer of or issue of New Shares and any Additional New Shares under the Retail Entitlement Offer and under any applicable laws and regulations;
- (b) you understand that the Entitlements and the New Shares and any Additional New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia or New Zealand. Notwithstanding the foregoing, the Entitlements and the New Shares and any Additional New Shares may not be taken up by persons who are, or are acting for the account or benefit of, a person in the United States. Neither the New Shares nor any Additional New Shares may be offered, sold or resold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable securities laws of any state or other jurisdiction in the United States;
- (c) you and each person on whose account you are acting have not and will not send any materials, or copies thereof, relating to the Retail Entitlement Offer to any person in the United States or any other country outside Australia and New Zealand;
- (d) you acknowledge that you have read and understand this Retail Offer Document and your Entitlement and Acceptance Form in their entirety;

- (e) you agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Retail Offer Document, and the Company's constitution;
- (f) you authorise the Company to register you as the holder(s) of New Shares allotted to you;
- (g) you declare that all details and statements in your Entitlement and Acceptance Form are complete and accurate;
- (h) you declare that you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under your Entitlement and Acceptance Form;
- (i) you acknowledge that after the Company receives your Entitlement and Acceptance Form or any payment of Application Monies through BPAY®, you may not withdraw your Application or funds provided except as allowed by law;
- (j) you agree to apply for and be issued up to the number of New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies through BPAY®, at the Issue Price;
- (k) you authorise the Company, the Underwriter, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry on using the contact details set out in your Entitlement and Acceptance Form;
- (l) you declare that you were the registered holder(s) at the Record Date of the Shares indicated on your Entitlement and Acceptance Form as being held by you on the Record Date;
- (m) you acknowledge that the information contained in this Retail Offer Document and your Entitlement and Acceptance Form is not financial product or investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (n) you acknowledge that this Retail Offer Document is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (o) you acknowledge the statement of risks in the *Appendix 1 – Key Risks* section of the Company's Investor Presentation included in this Retail Offer Document, and that investments in the Company are subject to risk;
- (p) you acknowledge that none of the Company, the Underwriter, nor their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, nor do they guarantee the repayment of capital;
- (q) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
- (r) you authorise the Company to correct any errors in your Entitlement and Acceptance Form or other form provided by you;
- (s) you represent and warrant (for the benefit of the Company, the Underwriter and its related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are an Eligible Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- (t) you represent and warrant that the law of any place does not prohibit you from being given this Retail Offer Document and your Entitlement and Acceptance Form, nor does it prohibit you from making an Application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer;
- (u) if in the future you decide to sell or otherwise transfer the New Shares, you will only do so on-market on the ASX or otherwise where neither you nor any person acting on your behalf know, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or is acting for the account or benefit of a person in the United States; and
- (v) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Retail Offer Document, the Entitlement and Acceptance Form or any information relating to the Retail Entitlement Offer to any such person.

## 2.7 Refunds

Any Application Monies received for more than your final allocation of New Shares and any Additional New Shares will be refunded as soon as practicable after the Closing Date (except where the amount is less than A\$5.00). No interest will be paid to Applicants on any Application Monies received or refunded.

## 2.8 Withdrawals

You cannot, in most circumstances, withdraw your Application once it has been accepted. Cooling-off rights do not apply to an investment in New Shares and any Additional New Shares.

## 2.9 Confirmation of your Application and managing your holding

You may access information on your holding, including your Record Date balance and the issue of New Shares and any Additional New Shares from this Retail Entitlement Offer, and manage the standing instructions the Share Registry records on your holding on the Share Registry website, [www-au.computershare.com/investor](http://www-au.computershare.com/investor). To access the 'Investor Centre' section of this website you will need your SRN or HIN and you will need to pass the security challenge on the site.

2 March 2017



## ASX ANNOUNCEMENT

### FULLY UNDERWRITTEN PLACEMENT AND ACCELERATED NON-RENOUNCEABLE ENTITLEMENT OFFER TO RAISE APPROXIMATELY A\$39.2 MILLION

Mineral Deposits Limited (ASX: MDL) (**MDL or Company**) is pleased to announce an institutional placement (**Placement**) and a pro rata accelerated non-renounceable entitlement offer (**Entitlement Offer**), to raise approximately A\$39.2 million (the Placement and the Entitlement Offer collectively, the **Capital Raising**).

The Capital Raising has the following components:

- Placement – institutional investors will have the opportunity to subscribe for new ordinary shares in the Company (**New Shares**) at A\$0.42 per New Share, to raise approximately A\$6.5 million. These New Shares will not be entitled to participate in the Entitlement Offer.
- Entitlement Offer – eligible shareholders are invited to subscribe for 3 New Shares for every 4 existing shares held as at 7.00pm (Melbourne time) on Monday, 6 March 2017, at an offer price of A\$0.42 per New Share, to raise approximately A\$32.7 million. Fractional entitlements to New Shares will be rounded up to the nearest whole number of New Shares.

The Entitlement Offer has two components:

- an accelerated institutional entitlement offer, where eligible institutional shareholders will be invited to participate in the Entitlement Offer, which is being conducted today, 2 March 2017 and tomorrow, 3 March 2017 (**Institutional Entitlement Offer**); and
- a retail entitlement offer, where eligible retail shareholders in Australia and New Zealand (and other jurisdictions (if any) determined by MDL) will be invited to participate in the Entitlement Offer, at the same issue price and offer ratio as the Institutional Entitlement Offer (**Retail Entitlement Offer**). Eligible retail shareholders may also apply for additional New Shares in excess of their entitlement in a 'top up' facility (**Top Up Offer**). Applications in the retail Top Up Offer will be scaled back to the extent that applications exceed the retail shortfall. The Retail Entitlement Offer opens on Thursday, 9 March 2017 and closes on Monday, 20 March 2017.

The Entitlement Offer is non-renounceable and entitlements will not be tradeable on the ASX or otherwise transferable. Shareholders who do not take up their entitlement in full will not receive any value in respect of those entitlements they do not take up.

The issue price of A\$0.42 per New Share under the Capital Raising represents a discount of:

- 12.5% to the last traded price of MDL shares before the Capital Raising was announced (being A\$0.48 on Wednesday, 1 March 2017);
- 7.0% to the theoretical ex-rights price (**TERP**) based on the last traded price of MDL shares before the Capital Raising was announced (being A\$0.45).

New Shares issued under the Capital Raising will rank equally with existing ordinary shares on issue.

The Capital Raising is fully underwritten by Morgans Corporate Limited, with Tamesis Partners LLP acting as co-managers.

The proceeds of the Capital Raising will be used primarily to repay ERAMET, MDL's partner in the TiZir joint venture (**TiZir**), for funds previously advanced to the Company to enable MDL to meet its joint venture commitments. The total amount outstanding to ERAMET at 31 December 2016 was US\$13.8 million. Of this amount, US\$7.5 million was payable by MDL on or before 31 December 2016, with the remaining balance payable on or before 31 March 2017. Assuming the debt outstanding to ERAMET is not repaid before 31 March 2017, the maximum balance payable, including accrued interest, is expected to be US\$14.1 million. However, the Company intends to extinguish the total debt balance following settlement of the Capital Raising.

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**Mineral Deposits Limited** ABN 19 064 377 420

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Proceeds raised from the Capital Raising over and above the amount due to ERAMET (and Capital Raising transaction costs) are intended to be made available to TiZir, if required, to fulfil the Company's obligations with respect to the TiZir Committed Facility (**Committed Facility**), including up to US\$6.2 million which may be required in March 2017 to fund TiZir's senior secured corporate bond obligations. The Committed Facility, which is fully underwritten by ERAMET, was put in place by ERAMET and MDL following discussions with TiZir bondholders in December 2015 and has been made available to TiZir primarily for the payment of interest up until maturity of the TiZir bond (see MDL ASX Releases: 27 November 2015 and 11 December 2015). Any remaining proceeds from the Capital Raising will be used for the general working capital commitments of TiZir and MDL.

MDL Chairman Nic Limb commented, "Your Company made some significant advances in 2016, particularly in the areas of optimising operations, safety and cost efficiencies. As a result, we have a strong operating platform to take advantage of what we see as the improving outlook for our commodities in 2017. This capital raising will help underwrite the Company's position, alleviate the risk of dilution of our joint venture interest and ensure MDL shareholders will benefit from any future value accretion that is generated by your Company."

Further details about the Capital Raising are contained in the Investor Presentation announcement released to the ASX today, 2 March 2017.

### Important notices

This notice may not be released or distributed in the United States. This notice does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The entitlements and the New Shares to be offered and sold in the Placement, Institutional Entitlement Offer and Retail Entitlement Offer have not been, and will not be, registered under the US Securities Act of 1933 (the **US Securities Act**) or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States unless they are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

This announcement contains certain forward-looking statements and comments about future events. Forward-looking statements can generally be identified by the use of forward-looking words such as, 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target' and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. Forward-looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that such predictions, forecasts, projections and other forward-looking statements will not be achieved. A number of important factors could cause MDL's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements and many of these factors are beyond MDL's control. Refer to the various risk factors in Appendix 1 – Key Risks of the investor presentation released to the ASX on 2 March 2017. Forward-looking statements are provided as a general guide only, and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainty and other factors, many of which are outside the control of MDL. As such, undue reliance should not be placed on any forward-looking statement. Past performance information given in this announcement is given for illustrative purposes only and is not necessarily a guide to future performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward-looking statements, forecast financial information or other forecast. Nothing contained in this announcement is to be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of MDL.

The information contained in this announcement does not constitute financial product advice (nor investment, taxation, accounting or legal advice), is not a recommendation to acquire MDL shares and is not intended to be used or relied upon as the basis for making an investment decision. This announcement has been prepared without taking into account the investment objectives, financial position or needs of any individuals. Before making any investment decisions, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and should seek investment, legal, accounting and taxation advice appropriate to their jurisdiction. MDL is not licensed to provide financial product advice in respect of MDL shares. Cooling off rights do not apply to the acquisition of MDL shares pursuant to the Placement, Institutional Entitlement Offer and Retail Entitlement Offer.

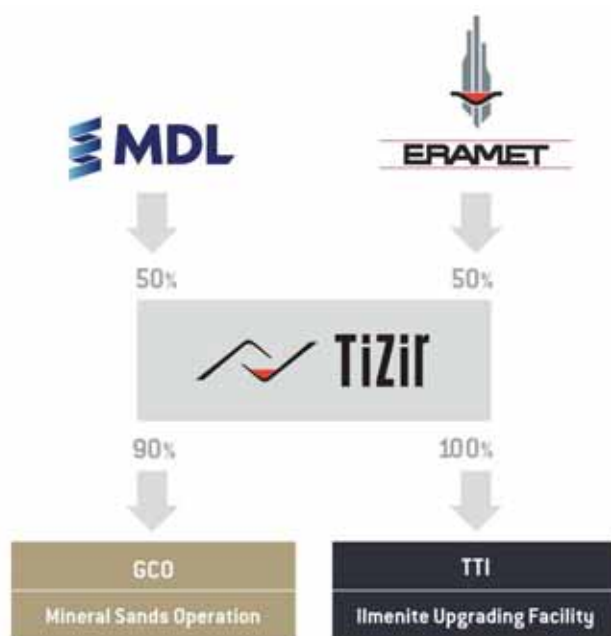
## ABOUT MDL

Mineral Deposits Limited (ASX: MDL) is an established, ASX-listed, integrated mining company with a 50% equity interest in TiZir Limited ('TiZir') 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, financing risks, 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.

## Contact details

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W [mineraldeposits.com.au](http://mineraldeposits.com.au)

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## ASX ANNOUNCEMENT

## COMPLETION OF FULLY UNDERWRITTEN PLACEMENT & INSTITUTIONAL ENTITLEMENT OFFER

Mineral Deposits Limited (ASX: MDL) is pleased to announce the completion of the institutional component of its recently announced capital raising, with a total of A\$15.0 million raised from participating and eligible institutional investors.

The funds were raised through the institutional placement (**Placement**) and the institutional component of the 3 for 4 pro rata accelerated non-renounceable entitlement offer (**Institutional Entitlement Offer**) (collectively, **Institutional Offer**), which were priced at \$0.42 per new share.

The Institutional Offer enjoyed strong support from shareholders and a number of new investors.

MDL's Chairman Nic Limb said: "We are delighted with the results of the institutional component of the equity raising and I would like to thank our shareholders for their continued support. We now look forward to welcoming participation from our retail shareholders when the retail entitlement offer opens on Thursday, 9 March 2017."

New shares issued under the Institutional Offer will rank equally with existing MDL shares.

Settlement of the Institutional Offer is scheduled for Friday, 10 March 2017, with new shares expected to be issued Monday, 13 March 2017 and trading to commence on ASX the same day.

MDL expects its trading halt to be lifted and its ordinary shares to recommence trading on an ex-entitlement basis from market open today.

### FULLY UNDERWRITTEN RETAIL ENTITLEMENT OFFER

The retail component of the entitlement offer (**Retail Entitlement Offer**) opens on Thursday, 9 March 2017 and is expected to close at 5.00pm (Melbourne time) on Monday, 20 March 2017, raising up to approximately A\$24.2 million. The Retail Entitlement Offer is fully underwritten by Morgans Corporate Limited.

Retail shareholders (as at 7.00pm (Melbourne time) on the record date of Monday, 6 March 2017) who are eligible to participate under the terms of the Retail Entitlement Offer (**Eligible Retail Shareholders**) will have the opportunity to participate at the same price and offer ratio as provided under the Institutional Offer.

Eligible retail shareholders are encouraged to carefully read the Retail Offer Document for further details relating to the Retail Entitlement Offer. MDL expects to dispatch the Retail Offer Document and personalised entitlement and acceptance form to Eligible Retail Shareholders no later than Thursday, 9 March 2017.

If you are an Eligible Retail Shareholder and you have questions about the offer, the Company encourages you to contact the Mineral Deposits Limited Information Line on 1300 850 505 (for calls within Australia) and +61 3 9415 5000 (for calls outside Australia) between 8:30am and 5:00pm (Melbourne time) Monday to Friday during the Offer Period for further information. This line will open on Thursday, 9 March 2017.

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**IMPORTANT NOTICES**

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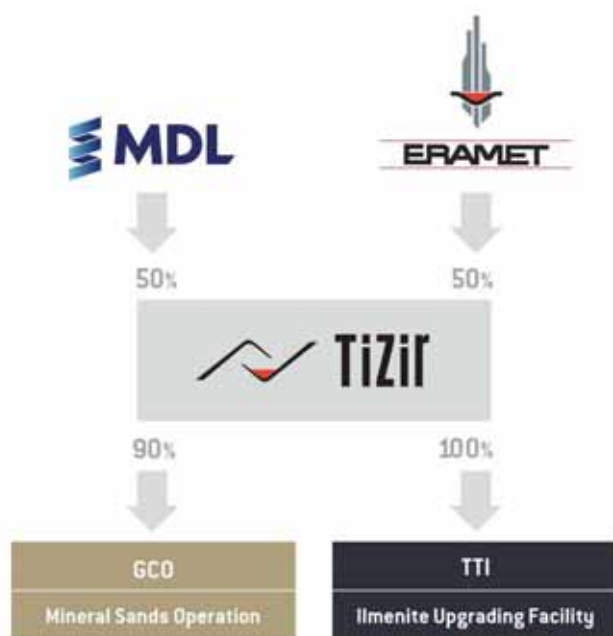
## ABOUT MDL

Mineral Deposits Limited (ASX: MDL) is an established, ASX-listed, integrated mining company with a 50% equity interest in TiZir Limited ('TiZir') 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.

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## REALISING THE TIZIR VISION – MINE &gt; INTEGRATE &gt; TRANSFORM

Investor Presentation  
2 March 2017

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## STATEMENTS

## IMPORTANT NOTICE AND DISCLAIMER

This presentation has been prepared by Mineral Deposits Limited (**MDL**) in relation to a placement (**Placement**) and pro rata accelerated non-renounceable entitlement offer of new fully paid ordinary shares in MDL (**Entitlement Offer**) (the Placement and the Entitlement Offer collectively, **Capital Raising**).

Defined terms and abbreviations used in this presentation are explained in the Glossary provided in Appendix 3.

## Summary information

This presentation contains summary information about MDL and its associated entities and their activities current as at the date of this presentation. The information contained in this presentation is for information purposes only.

The information contained in this presentation is general background information and does not purport to include or summarise all information that an investor should consider when making an investment decision. It should be read in conjunction with MDL's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (**ASX**) which are available at [www.asx.com.au](http://www.asx.com.au).

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## STATEMENTS (CONT'D)

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#### Financial data

All dollar values are expressed in United States dollars (\$) or USD unless otherwise stated. The Company has a 31 December financial year-end.

Investors should note that this information has not been audited and is based on management estimates and not on financial statements prepared in accordance with applicable statutory requirements. Accordingly, investors should treat this information with appropriate caution.

The pro forma financial information provided in this presentation is presented in an abbreviated form insofar as it does not include all the disclosures, statements or comparative information as required by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

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Statements made in this presentation are made only at the date of the presentation. MDL is under no obligation to update this presentation. The information in this presentation remains subject to change by MDL without notice. MDL reserves the right to withdraw or vary the timetable for the Placement and Entitlement Offer without notice.



## COMPANY OVERVIEW AND OPERATIONAL UPDATE



MINE > INTEGRATE > TRANSFORM

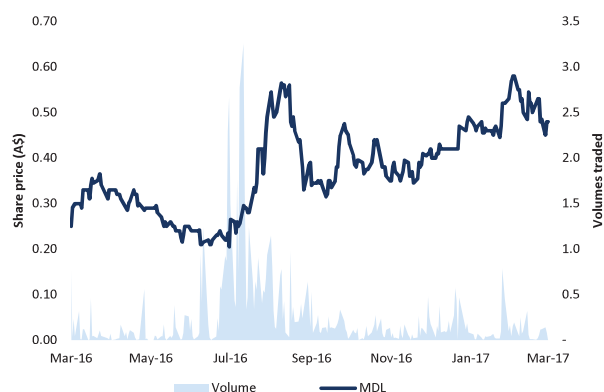


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## MDL OVERVIEW

### EXPERIENCED MINERAL SANDS PRODUCER

Share price (as at 1 March 2017)	A\$0.48
Shares on issue	~103.7m
Market capitalisation	~A\$49.8m
12 month high	A\$0.62
12 month low	A\$0.20

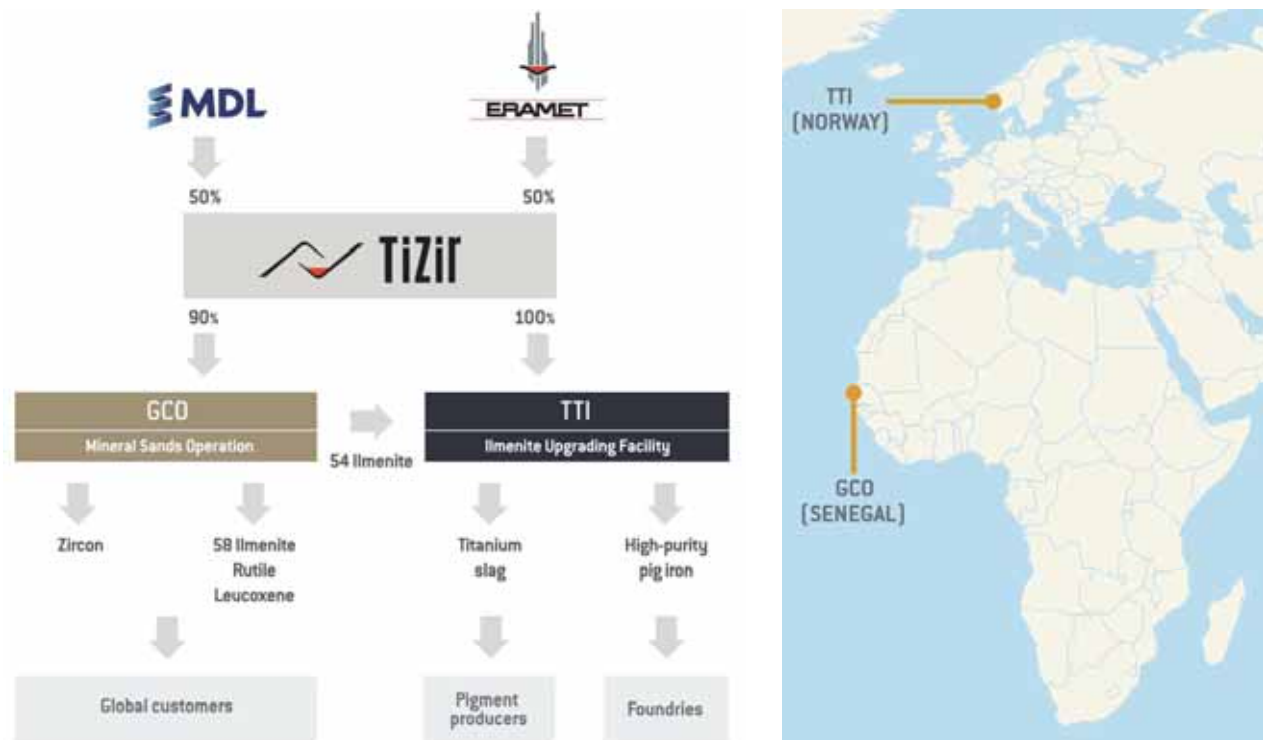


- Significant mineral sands industry experience
  - acquisition of Hawks Nest operation from BHP in 1998
- Key asset is the TiZir Joint Venture (50% interest), including:
  - Grande Côte mineral sands operation (**GCO**), Senegal
  - TiZir Titanium & Iron ilmenite upgrading facility (**TTI**), Norway
- Share register transitioning
  - top 10 beneficial shareholders own 58.2%
  - major shareholder is Allan Gray Australia Pty Ltd (~17.4%)
- 4Q 2016 result sets strong platform for 2017
- MDL vision:
  - capitalise on scale and quality of asset base
  - deliver on substantial value leverage

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## THE TIZIR JOINT VENTURE

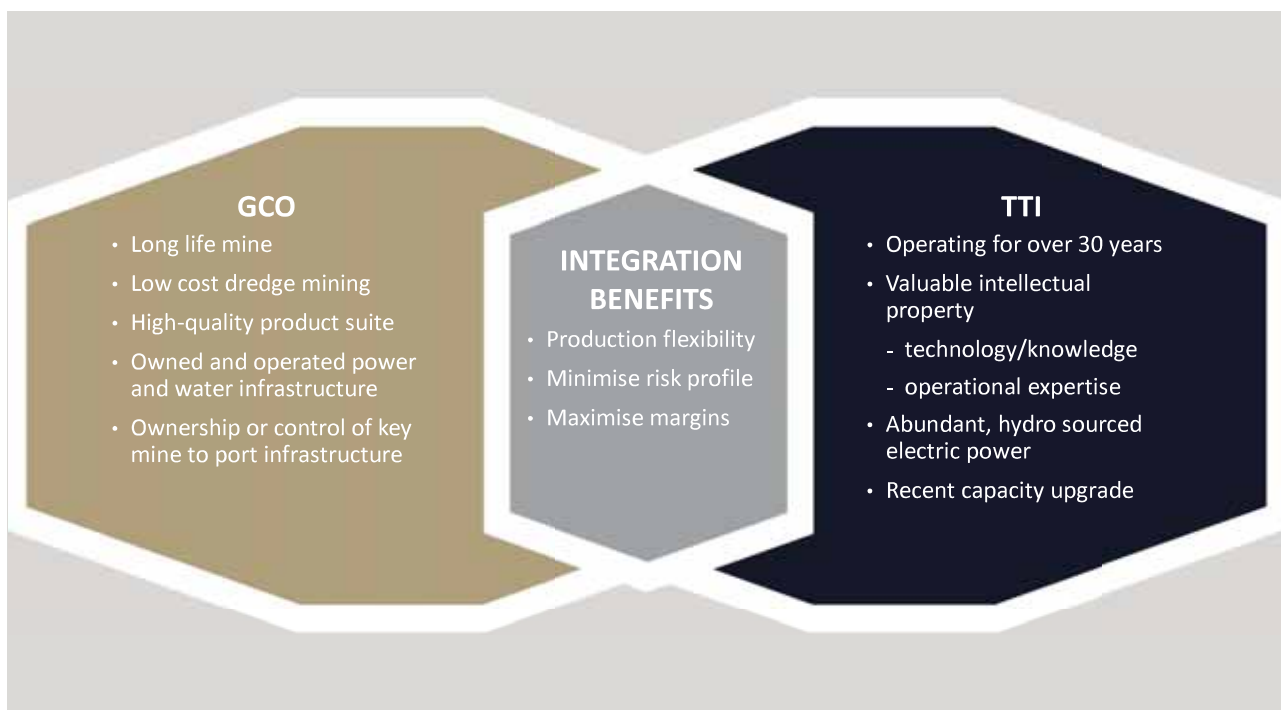
MDL OWNS 50% OF TIZIR – AN INTEGRATED PRODUCER OF HIGH-GRADE ZIRCON AND TITANIUM SLAG



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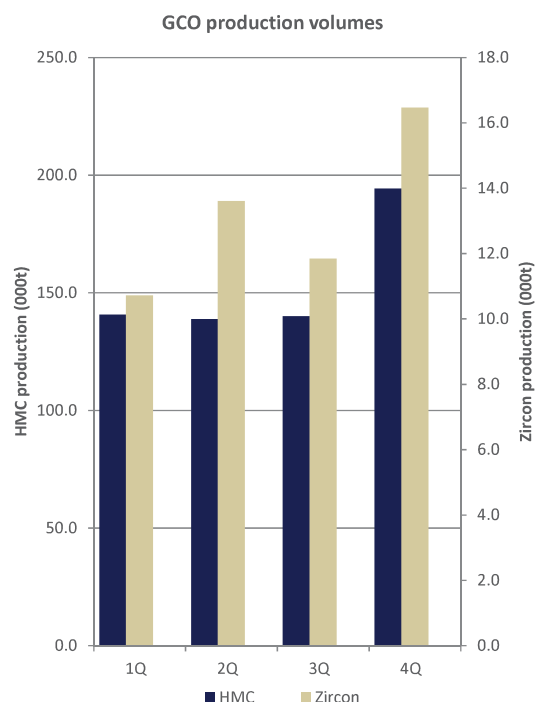
## THE TIZIR ADVANTAGE

INTEGRATION IS THE KEY



## 4Q 2016 UPDATE

### PLATFORM SET FOR 2017



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#### GCO

- Strong result in 4Q 2016
  - multiple production records
  - record dredge and WCP utilisation
- Second successive quarter of positive free cash flows
- Mine optimisation study – focus on maximising cash flow

#### TTI

- Furnace restart ahead of schedule
  - ramp up well underway
- Insurance proceeds received
- Product shipments expected to resume in early April

#### TIZIR

- External borrowings (excluding shareholder loans) by TiZir amounted to US\$322.4 million (at 31 Dec 2016):
  - \$275m senior secured bonds due September 2017
  - amounts drawn under TTI's and GCO's working capital facilities
- Working on bond refinancing options

## MINERAL SANDS MARKET UPDATE

### INDUSTRY MARKET DYNAMICS



#### INDUSTRY CHARACTERISTICS

- Demand and global GDP/urbanisation strongly correlated
- Opaque product pricing
- Emergence of China in 2010

#### RECENT INDUSTRY DEVELOPMENTS

- Pricing remains below inducement levels
- Industry response by major producers
  - match production to demand
  - mine closures
  - inventory destocking
- Greenfield & brownfield investment cancelled or deferred
- Environmental pressure driving rationalisation in China

#### INDUSTRY OUTLOOK

- Demand growth driven by improving fundamentals
- TiO<sub>2</sub> market
  - recovery underway
  - pigment producers have seen several price increases since end 2015, with more anticipated
- Zircon market remains stable

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## SIGNIFICANT LEVERAGE FOR SHAREHOLDERS & NEW INVESTORS IN MDL

### STRONG PLATFORM TO GROW SHAREHOLDER WEALTH



Improving sector outlook



Value leverage

- Present market value of MDL is not reflective of current industry fundamentals and asset replacement value



Substantial five year capital program complete

- GCO ~\$650 million mine construction; TTI ~\$70 million furnace reline and capacity expansion project



Integrated operations maximising margin and minimising risk



Improving operational and financial performance



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

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## PLACEMENT AND ENTITLEMENT OFFER OVERVIEW



MINE > INTEGRATE > TRANSFORM





## DETAILS OF PLACEMENT AND ENTITLEMENT OFFER

### PLACEMENT AND ENTITLEMENT OFFER TO RAISE GROSS PROCEEDS OF APPROXIMATELY A\$39.2M

Placement	<ul style="list-style-type: none"> <li>Fully underwritten Placement of ~15.6m New Shares at A\$0.42 to raise gross proceeds of ~A\$6.5m (US\$5.0m<sup>1</sup>)</li> </ul>
Entitlement Offer	<ul style="list-style-type: none"> <li>Fully underwritten pro rata, accelerated, non-renounceable Entitlement Offer of 3 New Shares for every 4 existing Shares at \$0.42 to raise a total of ~A\$32.7m (US\$25.0m<sup>1</sup>) comprising: <ul style="list-style-type: none"> <li>– Institutional Entitlement Offer</li> <li>– Retail Entitlement Offer with a Top Up Offer</li> </ul> </li> </ul>
Pricing	<ul style="list-style-type: none"> <li>Fixed issue price of A\$0.42 per New Share represents: <ul style="list-style-type: none"> <li>– 12.5% discount to MDL's closing share price on 1 March 2017 (A\$0.48)</li> <li>– 7.0% discount to TERP (A\$0.45)</li> </ul> </li> </ul>
Offer Securities	<ul style="list-style-type: none"> <li>Mineral Deposits Limited (ASX: MDL) fully paid ordinary shares</li> <li>Rank equally with existing Shares</li> </ul>
Use of Proceeds	<ul style="list-style-type: none"> <li>Repay outstanding debt to ERAMET (maximum US\$14.1m subject to timing of repayment)</li> <li>Provide funding to TiZir, if required, to fulfil the company's obligations with respect to the TiZir Committed Facility, where up to US\$6.2m (for TiZir bond interest) may be required in March 2017</li> <li>Pay transaction costs with any remaining balance towards TiZir and MDL general working capital</li> </ul>
Post Raising	<ul style="list-style-type: none"> <li>~A\$25.6m (US\$19.6m<sup>1</sup>) cash on hand after repayment of outstanding ERAMET debt</li> <li>~197.0m Shares on issue</li> </ul>

1. Based on AUD/USD exchange rate of 0.7655

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## INDICATIVE TIMETABLE

### RETAIL ENTITLEMENT OFFER CLOSING ON 20 MARCH 2017\*

Description	Date
ASX Announcement of Placement and Entitlement Offer and trading halt	2 March 2017
Institutional Entitlement Offer and Placement bookbuild opens	2 March 2017
Institutional Entitlement Offer bookbuild and Placement bookbuild closes	3 March 2017
Lodgement of Retail Offer Document with ASX	
Shares recommence trading on an 'ex' entitlements basis	6 March 2017
Record Date to determine entitlements to participate in the Entitlement Offer <sup>#</sup>	
Retail Entitlement Offer opens	
Retail Offer Document and Entitlement and Acceptance Forms dispatched to Eligible Retail Shareholders	9 March 2017
Settlement of New Shares issued under the Placement and Institutional Entitlement Offer	10 March 2017
Allotment and commencement of trading of New Shares issued under the Placement and Institutional Entitlement Offer*	13 March 2017
Retail Entitlement Offer closes (5.00 pm Melbourne, Australia time)*	20 March 2017
Settlement of New Shares issued under Retail Entitlement Offer*	24 March 2017
Allotment of New Shares issued under Retail Entitlement Offer*	27 March 2017
Commencement of normal trading of New Shares issued under the Retail Entitlement Offer*	28 March 2017

\* As at 7.00pm Melbourne, Australia time; \* The dates marked with an \* are indicative only and are subject to change

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## PRO FORMA CAPITAL STRUCTURE

### TOTAL SHARES ON ISSUE FOLLOWING PLACEMENT AND ENTITLEMENT OFFER WILL BE APPROXIMATELY 197.0M

The table below illustrates the impact of the Placement and Entitlement Offer on the capital structure of the Company:

Description	Number <sup>1</sup>
Existing Shares on issue	103,676,341
New Shares to be issued – Placement	15,551,451
New Shares to be issued – Entitlement Offer	77,757,256
<b>Total Shares on issue post Placement and Entitlement Offer<sup>2</sup></b>	<b>196,985,048</b>

1. The exact number of New Shares to be issued under the Entitlement Offer depends on fractional entitlements on the Record Date.

2. This figure does not include any Shares which may be issued on the vesting of existing performance rights currently on issue or any proposed performance rights relating to the 2017 long term incentives which are yet to be granted to executives of the Company. The Company intends to issue up to 1,168,209 performance rights to various MDL executives and will be seeking shareholder approval at the Company's upcoming annual general meeting in respect of the proposed issue of up to 499,234 performance rights to Mr R Sennitt.

### Director participation in the Entitlement Offer

- All of the Company's Directors hold Shares in MDL
- Each Director intends to take up his full entitlement under the Entitlement Offer
- In compliance with the Listing Rules, participating Directors will not be applying for New Shares under the Top Up Offer applicable to the Retail Entitlement Offer

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## PRO FORMA BALANCE SHEET

### FOLLOWING THE PLACEMENT AND ENTITLEMENT OFFER, MDL WILL BE DEBT FREE WITH NET ASSETS OF US\$271.8M

US\$'000	Audited 31 Dec 2016	Proceeds from capital raising <sup>1</sup>	ERAMET debt repayment <sup>2</sup>	Pro forma Unaudited
<b>Current assets</b>				
Cash and cash equivalents	4,893	28,811	(14,089)	19,615
Other current assets	510	-	-	510
<b>Total current assets</b>	<b>5,403</b>	<b>28,811</b>	<b>(14,089)</b>	<b>20,125</b>
<b>Total non-current assets</b>	<b>253,056</b>	<b>-</b>	<b>-</b>	<b>253,056</b>
<b>Total assets</b>	<b>258,459</b>	<b>28,811</b>	<b>(14,089)</b>	<b>273,181</b>
<b>Liabilities</b>				
Loan from ERAMET	13,813	-	(13,813)	-
Other liabilities	1,444	-	-	1,444
<b>Total liabilities</b>	<b>15,257</b>	<b>-</b>	<b>(13,813)</b>	<b>1,444</b>
<b>Net assets</b>	<b>243,202</b>	<b>28,811</b>	<b>(276)</b>	<b>271,737</b>
<b>Equity</b>				
Issued capital	390,255	28,811	-	419,066
Reserves & accumulated losses	(147,053)	-	(276)	(147,329)
<b>Total equity</b>	<b>243,202</b>	<b>28,811</b>	<b>(276)</b>	<b>271,737</b>

1. Proceeds from the capital raising relate to gross proceeds of US\$30.0m (A\$39.2m translated at AUD/USD exchange rate of 0.7655) less estimated costs associated with the offer of US\$1.2m (A\$1.6m).

2. ERAMET debt repayment of US\$14.1m includes outstanding debt of \$13.8m (as at 31 December 2016) plus forecast interest accrued to 31 March 2017 of \$0.3m. Cash outflow may differ from the above if the repayment(s) is made on a date other than 31 March 2017.

## APPENDIX 1 – KEY RISKS



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## KEY RISKS

### THERE ARE INHERENT RISKS ASSOCIATED WITH INVESTING IN A MINING COMPANY

#### Introduction

New Shares offered under the Placement and Entitlement Offer are considered speculative because of the inherent risks associated with a mining company. In addition, there are risks inherent in investing in the share market in general.

The Directors have considered and identified in this Appendix 1 – Key Risks, the critical areas of risk associated with investing in the Shares of MDL. The risks identified by the Directors are not exhaustive. Accordingly, potential investors should read this Appendix in full and obtain professional advice if they require further information on material risks when deciding whether to subscribe for New Shares in MDL.

This investment is regarded as speculative. Neither the Company nor any of its directors or any other party associated with the preparation of this presentation guarantees that any specific objectives of the Company will be achieved or that any particular performance of the Company or of its Shares, including those offered under the Placement and Entitlement Offer, will be achieved.

#### Risks associated with the Company's business/assets

MDL faces a range of risks in its business activities, including financing, strategic, operational, environmental, compliance, financial reporting, sustainability and other market risks. Where considered appropriate, these risks are insured against as well as being integrated into risk management practices. There are a number of risks, both specific and general in nature, to MDL, TiZir and the entities within TiZir which may, either individually or in combination, affect the future operational and financial performance of the Company.

The summary of Key Risks set out below is not, and should not be considered to be, an exhaustive list of all the risks relevant to the Company and its 50% equity investment in TiZir. MDL, however, considers that these risks represent key Company risks, particularly risks to an investment in the Company. Additional risks and uncertainties that the Company is unaware of, or that the Company considers to be immaterial, may also become key risks and material. The risk factors outlined below omit how each is managed and may be mitigated and should be read in connection with the forward-looking statements and the disclaimers in this presentation.

#### (a) Current and future funding arrangements

TiZir's operations involve capital investment and financial risk. Continuance of mining and mineral processing activities as well as the Company's realisation of the value of its investment in TiZir depends on TiZir's ability to obtain funding as and when required, whether through internal positive cash flows, debt financing, equity funding or other financing means. No assurance can be given that any financing arrangements will be available or available on terms acceptable to TiZir. If such alternatives are not available, MDL may be required to provide funding to TiZir or to deliver all or a portion of its assets to TiZir's lenders as satisfaction of any outstanding amounts due.

## KEY RISKS (CONT'D)

### THERE ARE INHERENT RISKS ASSOCIATED WITH INVESTING IN A MINING COMPANY

#### Risks associated with the Company's business/assets (cont'd)

(b) MDL cash flow risks

If TiZir is unable to meet its financial obligations either through cash flow generation or its ability to secure finance, it may need to seek financial support from its shareholders (including MDL).

In addition to these general cash flow risks, certain specific risks outlined in this Appendix 1 – Key Risks have the potential to generate a cash flow shortfall at the TiZir level that may require funding from third party financiers or its shareholders (including MDL). There can be no assurances that MDL will not be required to contribute further funding to the TiZir Joint Venture to assist with meeting any cash flow shortfalls associated with these specific risks. Additionally, there is no guarantee that MDL will have sufficient capital to meet its ongoing joint venture obligations nor is there a guarantee that the Capital Raising will result in MDL having sufficient funding to cover any potential cash flow risks. The Company may need to raise additional funds, which would have a consequential impact on the share capital structure of the Company.

From December 2015 and up to the date of the release of this presentation, ERAMET has made funding available to MDL such that MDL is able to continue to meet its obligations to the joint venture. Notwithstanding current arrangements, the availability of future funding from ERAMET to MDL is not assured and, if available, increases the risk that MDL's investment in the TiZir Joint Venture could be diluted should it not be in a position to repay any financing made available under the terms of the TiZir shareholders' agreement.

(c) General market risks in relation to products

*Commodity price risk*

The prices for titanium feedstocks and zircon fluctuate widely and are affected by numerous factors beyond the control of MDL including, but not limited to, supply/demand balances, strategies of major producers, worldwide inflation and deflation, interest and currency exchange rates, price and availability of substitutes, actions taken by governments and global economic and political developments. Future production from MDL's mining and processing assets is primarily dependent upon the prices for titanium feedstocks and zircon being adequate to make these operations economic. There is no assurance that, even as commercial quantities of titanium feedstocks and zircon are produced, a profitable market will exist for them.

*Demand fluctuations*

MDL is reliant on demand for its joint venture products. Changes in demand due to economic downturn or customers sourcing alternative suppliers, amongst other factors, could adversely impact financial performance.

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## KEY RISKS (CONT'D)

### THERE ARE INHERENT RISKS ASSOCIATED WITH INVESTING IN A MINING COMPANY

#### Risks associated with the Company's business/assets (cont'd)

(d) Uncertainty of resource and reserve estimates

Mineral resource and reserve estimates are estimates only and no assurance can be given that: anticipated tonnages and grades will be achieved; the indicated level of recovery will be realised; or reserves can be mined or processed profitably. Assumptions informing reserve estimates may change over time resulting in revisions to their economic viability and a consequent need to restate.

(e) Operational risks

The operations of both TTI and GCO are reliant on critical equipment, such as the furnace and pre-reduction kiln at TTI as well as the mineral sands dredge, wet concentrator plant, mineral separation plant and power plant at GCO. Equipment may incur downtime as a result of unanticipated failures or other events, such as fire, loss of power supply and the unavailability of spare parts. Any downtime, delays or difficulties in mining, processing and production, even whether covered in whole or in part by insurance, may adversely impact product delivery and production optimisation, thereby impacting on the financial performance of the Company.

The operations in which MDL is invested are also vulnerable to a wide range of difficulties and interruptions, including:

- natural events such as storm, flood, drought, fire, and the possible effects of climate change;
- restricted access to key transport networks (reliable roads, rail, ports), power generation and transmission, and water supplies;
- limitations or interruptions in transport, power or water infrastructure;
- extended failure or damage to critical information technology infrastructure or systems;
- a loss of control process that could lead to a release of hazardous materials; and
- supply chain failures.

Such events and their consequences, even whether covered in whole or in part by insurance, may be detrimental to the Company's activities and profitability.

Production at TTI is currently in ramp up phase following an operational incident that occurred in August 2016 and the subsequent completion of furnace repairs and reline between August 2016 and early January 2017. While a full and final insurance settlement was received by TTI in December 2016 in relation to this incident, there are inherent operational risks related to ramp up, which may result in the ramp up of production not proceeding in a manner or in accordance with the expected timeframe. Such risks may have an adverse impact on the financial position of TiZir and MDL. Further, no assurances can be given that an incident of a similar nature will not reoccur in the future.

## KEY RISKS (CONT'D)

### THERE ARE INHERENT RISKS ASSOCIATED WITH INVESTING IN A MINING COMPANY

#### Risks associated with the Company's business/assets (cont'd)

(f) Asset realisation risks

The Company's capacity to realise the value of its investment in TiZir is dependent on GCO and TTI operating successfully and generating forecast cash flow.

In the event that ERAMET provides funding to TiZir on behalf of MDL to assist TiZir in meeting its obligations, there is an increase in the risk that MDL's investment in the joint venture could be diluted should the Company not be in a position to repay any financing made available under the terms of the TiZir shareholders' agreement.

Dilution of the Company's investment in TiZir may have the following impacts including, but not limited to: loss of ability to influence TiZir's management and operations, potential delays in the timing and quantum of the Company's investment returns, and loss of equal voting rights on the strategic direction of the joint venture.

(g) Dependence on key personnel

MDL and TiZir and their business activities (including operations) are reliant on key personnel (either employed or engaged), the loss of whom may have a material adverse impact on operational and financial performance of both entities. Failure to recruit and retain qualified, high-performing personnel at MDL or at TiZir's operations may impact on Company performance.

(h) Employment and labour relations

MDL and TiZir and their employees may be affected by changes in labour laws and regulations which may be introduced by governments in jurisdictions of operation. Such changes may adversely affect business activities. MDL and TiZir may experience difficulties in employing and retaining suitably qualified personnel, particularly given the location of current operations. Malaria and other infectious diseases represent a threat and an ongoing healthcare challenge to maintaining a skilled workforce in West Africa. Pandemics may also impact on operations and the ability to maintain sufficient numbers of a skilled workforce. Labour disputes, resulting in strike action or work stoppages, may result in decreased production and increased costs. Labour agreement renegotiations may also result in elevated operating costs.

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## KEY RISKS (CONT'D)

### THERE ARE INHERENT RISKS ASSOCIATED WITH INVESTING IN A MINING COMPANY

#### Risks associated with the Company's business/assets (cont'd)

(i) Inadequate insurance coverage

MDL is exposed to a number of business risks and insurance may not be sought, obtainable or adequate for all risks. In addition, insurance coverage may not be sufficient to cover business interruption losses or liability. The manifestation of an inadequately insured risk could adversely impact the Company's business.

Some key MDL assets, in particular GCO in Senegal, West Africa, are located in countries where political risks are potentially higher than in more developed regions. The MDL board has considered the benefits and cost of political risk insurance and has determined that, at this time, the Company will not maintain political risk insurance on the equity component of its investment in TiZir or its interest in Senegal or any of its other assets or interests.

In respect of MDL operational risks, insurance policies are entered into by TiZir, GCO and TTI rather than MDL.

(j) Input costs, inflation and foreign exchange rates

Changes to input costs, inflation and foreign exchange rates could increase TiZir's operating and capital costs. While in some cases such cost increases may be controlled or offset by increased selling prices, there is no assurance that this will eventuate. Operating margins and necessary capital costs may be adversely impacted by a failure to contain unanticipated cost increases.

(k) Repatriation of earnings

There is no assurance that Senegal, Norway or any other foreign country wherein MDL has interests will not impose restrictions on the repatriation of earnings to foreign entities.

(l) Licences and permits

TiZir's exploration, mining and processing activities are dependent upon the granting, maintenance and renewal of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn, not granted or made subject to limitations or new conditions. Risks regarding licences and permits that may impact on TiZir may have a material adverse impact on MDL.

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## KEY RISKS (CONT'D)

### THERE ARE INHERENT RISKS ASSOCIATED WITH INVESTING IN A MINING COMPANY

#### Risks associated with the Company's business/assets (cont'd)

(m) Health, safety, security, environment and community

MDL and TiZir's sustainable development policies and activities, covering health, safety, security, environment and community issues, are subject to government laws, regulations and standards as well as stakeholder expectations. These regulatory frameworks and expectations may change over time and may have a material adverse effect on the Company's operations and reputation.

Failure to comply with applicable health, safety, security, environment and community laws, regulations and permitting requirements may result in enforcement actions including fines, penalties, compensation claims, corrective measures requiring capital expenditure, or the ceasing of operations, amongst others.

Environmental hazards may exist on MDL and/or TiZir properties which are currently unknown and which could have been caused by previous owners or operators. It is possible that MDL and/or TiZir would be required to remedy such hazards or that such hazards may affect the Company's future operations.

(n) Closure, reclamation and rehabilitation costs

While currently expected closure, reclamation and rehabilitation works necessary to return operating sites to local communities are budgeted for, changes over time to legislation, standards and techniques or the introduction of new legislation, standards and techniques may result in unanticipated or higher than expected costs. Over time, events may arise or changes may occur that vary the life of an operation and, consequently, the timing of expenditure with respect to closure, reclamation and rehabilitation of operating sites may also change.

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## KEY RISKS (CONT'D)

### THERE ARE INHERENT RISKS ASSOCIATED WITH INVESTING IN A MINING COMPANY

#### Risks associated with the Company's business/assets (cont'd)

(o) Political and foreign operations risks

The operations of TiZir are currently conducted in Senegal and Norway and, as such, are exposed to various levels of political, economic and other natural and man-made risks and uncertainties over which MDL has limited or no control.

These risks and uncertainties may include, but are not limited to: economic, social or political instability; terrorism; hostage taking; military repression; labour unrest; community disputes; the risks of war or other forms of civil unrest; expropriation and nationalisation; renegotiation, nullification or adoption of new laws or regulations concerning existing concessions, licences, permits and/or contracts; high rates of inflation; changes in taxation policies; restrictions on foreign exchange and repatriation; validity of export rights and payment of duties; changing political conditions; currency controls; customs regulations policies; changes or adoption of new laws affecting foreign ownership; government participation or control of working conditions; changes to regulations associated with greenhouse gas emissions and the introduction of carbon pricing mechanisms; and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure could result in the loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and, even whether covered in whole or in part by insurance, could have an adverse effect on the operations of TiZir or profitability of MDL.

(p) Joint venture risks

Through a joint venture arrangement with ERAMET SA, MDL owns 50% of TiZir which owns 90% of GCO and 100% of TTI. The joint venture is governed by a shareholders' agreement. A breakdown in the joint venture relationship or a contravention of the TiZir shareholders' agreement could have a material adverse effect on the Company's investment in the joint venture. Additionally, the joint venture structure impacts on the Company's capacity to manage, mitigate or avoid TiZir's risks independently.

(q) Litigation risks

MDL may be the subject of complaints or litigation by customers, suppliers, employees or officers, shareholders, government agencies, regulatory authorities or other third parties. Changes in laws and regulations can heighten litigation risk. Litigation and other proceedings may be taken against MDL that could divert management's attention from the business and materially adversely affect the business or financial performance or condition of MDL. If such proceedings were brought against MDL, considerable time and cost may be incurred to defend those proceedings (even if successful), with the potential for damages and costs awarded against MDL if unsuccessful.



## KEY RISKS (CONT'D)

### THERE ARE INHERENT RISKS ASSOCIATED WITH INVESTING IN A MINING COMPANY

#### Risks associated with the Company's business/assets (cont'd)

- (r) Constraints on company growth  
MDL's ability to grow its existing capacity and extend the life of TiZir's operations is dependent on a number of factors which may or may not materialise as expected or planned. Additionally, MDL competes with other companies for future business opportunities.
- (s) Strategic investments, acquisitions or divestitures  
No assurance can be given that MDL's current or possible future investments, acquisitions or divestitures can or will be completed successfully or favourably. MDL may be liable for past acts as well as anticipated and unanticipated liabilities procured through the Company's acquisition or investment activities.

#### Risks associated with the Entitlement Offer

- (a) Market risk  
The market price of MDL's Shares may fluctuate due to various factors including those outlined above. The above factors are not an exhaustive list of risks faced by MDL or by investors in MDL. The above factors, and others not specifically referred to in this presentation, may in the future materially affect the financial performance of MDL and the value of the New Shares. The market for mining industry securities has historically experienced significant fluctuations in price and trading volumes which may be unrelated to the performance of individual companies.  
The market price of New Shares could trade on ASX at a price below their issue price. New Shares offered under the Placement and Entitlement Offer carry no guarantee in respect of profitability, dividends, return of capital or liquidity on the ASX. No assurances can be given that the New Shares will trade at or above the issue price under the Placement and Entitlement Offer. Neither MDL, its directors nor any other person guarantees the market performance of the New Shares.
- (b) Dilution risk  
If existing shareholders do not take up all or part of the New Shares offered to them under the Entitlement Offer, then their percentage shareholding in MDL will be diluted (in addition to the dilutionary impact resulting from the issue of New Shares under the Placement).
- (c) Dividends  
The payment of dividends by MDL is determined by the board of MDL from time to time at its absolute discretion, dependent on the profitability, gearing position (if applicable) and cash flow needs of MDL's business. There is no guarantee that any dividend will be paid by MDL.

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## KEY RISKS (CONT'D)

### THERE ARE INHERENT RISKS ASSOCIATED WITH INVESTING IN A MINING COMPANY

#### Risks associated with the Entitlement Offer (cont'd)

- (d) Taxation implications  
Any future changes in taxation laws, including changes in the interpretation or application of those laws by the court or taxation authorities, may affect the taxation treatment of an investment in MDL's Shares, or the holdings and disposal of those Shares. As tax considerations may differ between shareholders, prospective investors and existing shareholders are encouraged to obtain professional tax advice in connection with an investment in New Shares.
- (e) Underwriting risk  
The Placement and Entitlement Offer is fully underwritten by Morgans Corporate Limited. The underwriting agreement is subject to customary termination events. If the underwriting agreement were to be terminated, the funds raised under the Placement and Entitlement Offer may be significantly less than the amount disclosed in this presentation. Any shortfall of funds expected to be raised from the Placement and Entitlement Offer could delay or suspend MDL's business strategy and could have a material adverse effect on MDL's activities and its ability to meet its contractual obligations (including any ongoing TiZir Joint Venture obligations).

#### General risks

- (a) General economic climate  
Factors such as inflation, currency fluctuations, interest rates, legislative changes, political decisions and industrial disruption have an impact on operating costs. The Company's future income, asset values and share price can be affected by these factors and, in particular, by the market price for any products or services that the Company may acquire or sell.
- (b) Government policy changes  
Any material adverse changes in government policies or legislation of any countries in which the Company may operate may affect the viability and profitability of MDL.
- (c) Foreign currency and exchange rate fluctuations  
Revenue, expenditure, interest, dividends and loan receipts of the Company may be domiciled in currencies other than Australian dollars and, as such, expose the Company to foreign exchange movements, which may have a positive or negative influence on the Australian dollar. The Company will appropriately monitor and assess such risks and may from time to time implement measures, such as foreign exchange currency hedging, to assist managing these risks. However, the implementation of such measures may not eliminate all such risks and the measures themselves may expose the Company to related risks.

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## KEY RISKS (CONT'D)

### THERE ARE INHERENT RISKS ASSOCIATED WITH INVESTING IN A MINING COMPANY

#### General risks (cont'd)

(d) Taxation

Future changes in Australian taxation laws, including changes in interpretation or application of laws by the courts or taxation authorities in Australia, may affect taxation treatment of an investment in MDL Shares, or the holding and disposal of those Shares. Further changes in tax law or changes in the way tax law is expected to be interpreted in the various jurisdictions in which MDL, TiZir, GCO and/or TTI operates, may impact the future tax liabilities of MDL.

(e) Speculative nature of investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under the Placement and Entitlement Offer.

Therefore, the New Shares to be issued pursuant to the Placement and Entitlement Offer carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares offered under the Placement and Entitlement Offer.

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## APPENDIX 2 – FOREIGN SELLING RESTRICTIONS



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## FOREIGN SELLING RESTRICTIONS

### THE PLACEMENT AND ENTITLEMENT OFFER IS SUBJECT TO FOREIGN SELLING RESTRICTIONS

#### International Offer Restrictions

This document does not constitute an offer of New Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

#### New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the 'FMC Act').

Other than in the Entitlement Offer to be made under the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who (i) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act, (ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act, (iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act, (iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act or (v) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

#### United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (the 'FSMA')) has been published or is intended to be published in respect of the offer. This document is issued on a confidential basis to 'qualified investors' (within the meaning of section 86(7) of the FSMA) in the United Kingdom and these securities may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may any of its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (the 'FPO'), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together, 'Relevant Persons'). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this document or any of its contents.

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## FOREIGN SELLING RESTRICTIONS (CONT'D)

### THE PLACEMENT AND ENTITLEMENT OFFER IS SUBJECT TO FOREIGN SELLING RESTRICTIONS

#### Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the 'SFO'). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to 'professional investors' (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document you should obtain independent professional advice.

#### Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The New Shares may not be offered or sold, directly or indirectly, in Norway except to 'professional clients' (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

#### South Africa

This document does not, nor is it intended to, constitute a prospectus prepared and registered under the South African Companies Act and may not be distributed to the public in South Africa.

An entity or institution resident in South Africa may not implement participation in the offer unless (i) permitted under the South African Exchange Control Regulations or (ii) a specific approval has been obtained from an authorised foreign exchange dealer in South Africa or the Financial Surveillance Department of the South African Reserve Bank.



## FOREIGN SELLING RESTRICTIONS (CONT'D)

### THE PLACEMENT AND ENTITLEMENT OFFER IS SUBJECT TO FOREIGN SELLING RESTRICTIONS

#### Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the 'SFA'), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an 'institutional investor' (as defined in the SFA) or (iii) a 'relevant person' (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

#### France

This document is not being distributed in the context of a public offering of financial securities (offre au public de titres financiers) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (Code monétaire et financier) and Articles 211-1 et seq. of the General Regulation of the French Autorité des marchés financiers (the 'AMF'). The New Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This document and any other offering material relating to the New Shares have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed (directly or indirectly) to the public in France. Such offers, sales and distributions have been and shall only be made in France to qualified investors (investisseurs qualifiés) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2, D.411-1, L.533-16, L.533-20, D.533-11, D.533-13, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation.

Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the New Shares cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.

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## FOREIGN SELLING RESTRICTIONS (CONT'D)

### THE PLACEMENT AND ENTITLEMENT OFFER IS SUBJECT TO FOREIGN SELLING RESTRICTIONS

#### Mauritius

In accordance with The Securities Act 2005 of Mauritius, no offer of New Shares may be made to the public in Mauritius without the prior approval of the Mauritius Financial Services Commission. Accordingly this offer is being made on a private placement basis only and does not constitute a public offering. As such, this document has not been approved or registered by the Mauritius Financial Services Commission and is for the exclusive use of the person to whom it is addressed. The document is confidential and should not be disclosed or distributed in any way without the express written permission of the Company.

#### Saudi Arabia

Neither this document nor the New Shares have been approved or passed on in any way by the Capital Market Authority or any other governmental authority in the Kingdom of Saudi Arabia, nor has the Company received authorisation or licensing from the Capital Market Authority or any other governmental authority in the Kingdom of Saudi Arabia to market or sell New Shares within the Kingdom of Saudi Arabia. This document does not constitute and may not be used for the purpose of an offer or invitation. No services relating to the New Shares, including the receipt of applications, may be rendered by the Company within the Kingdom of Saudi Arabia.

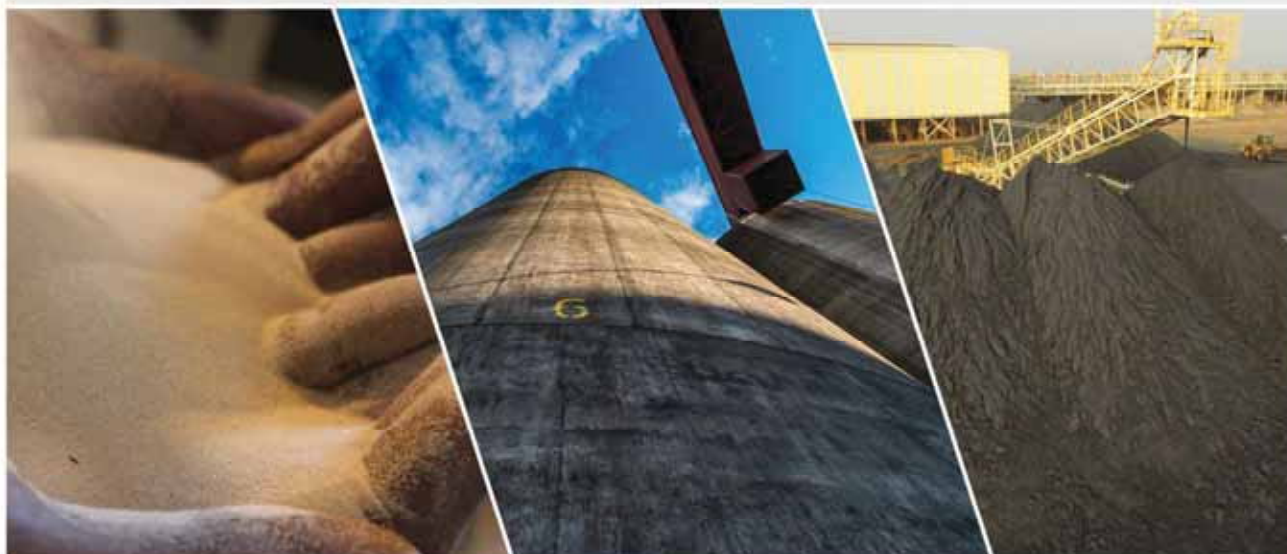
#### Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ('SIX') or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations.

Neither this document nor any other offering or marketing material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document is personal to the recipient only and not for general circulation in Switzerland.

## APPENDIX 3 – GLOSSARY OF DEFINED TERMS



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## GLOSSARY OF DEFINED TERMS

### DEFINED TERMS AND ABBREVIATIONS

**ASIC** means Australian Securities & Investments Commission.

**ASX** or **Australian Securities Exchange** means ASX Limited ACN 008 624 691 or the financial market it operates, as the context requires.

**Capital Raising** means collectively the Placement and Entitlement Offer.

**Committed Facility** means a US\$60 million facility, put in place by ERAMET (US\$30 million) and MDL (US\$30 million) following discussions with TiZir bondholders in December 2015 and made available to TiZir primarily for the payment of interest up until maturity of the TiZir bond. The facility is fully underwritten by ERAMET.

**Company** or **MDL** means Mineral Deposits Limited ACN 064 377 420.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the directors of the Company.

**Eligible Retail Shareholder** means shareholders with a registered address in Australia or New Zealand (or such other jurisdictions determined by MDL in its absolute discretion) who hold Shares in the Company on the Record Date and meet the eligibility criteria set by MDL (and outlined in the Retail Offer Document).

**Entitlement and Acceptance Form** means an entitlement and acceptance form accompanying the Retail Offer Document pursuant to which an Eligible Retail Shareholder may apply for New Shares under the Retail Entitlement Offer.

**Entitlement Offer** means a fully underwritten accelerated non-renounceable offer to eligible shareholders to subscribe for 3 New Shares for every 4 Shares they hold on the Record Date.

**ERAMET** means ERAMET SA of France, MDL's 50% partner in the TiZir Joint Venture.

**GCO** means the Grande Côte mineral sands operation in Senegal, West Africa.

**GDP** means gross domestic product.

**HMC** means heavy mineral concentrate.

**Institutional Entitlement Offer** means an accelerated non-renounceable offer to eligible institutional shareholders to subscribe for 3 New Shares for every 4 Shares they hold on the Record Date.

**Listing Rules** means the official listing rules of ASX.

**M** or **m** means million.

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## GLOSSARY OF DEFINED TERMS

### DEFINED TERMS AND ABBREVIATIONS

**New Shares** means Shares (including Shares under the Top Up Offer) offered and issued under the Placement and Entitlement Offer.

**Placement** means the placement of New Shares to institutional and professional investors as announced by the Company on 2 March 2017.

**Q** means a quarter in a calendar or financial year.

**Record Date** means 7.00pm (Melbourne, Australia time) on 6 March 2017 for the purpose of identifying the persons who are entitled to acquire New Shares pursuant to the Entitlement Offer.

**Retail Entitlement Offer** means a non-renounceable offer to Eligible Retail Shareholders to subscribe for 3 New Shares for every 4 Shares they hold on the Record Date.

**Retail Offer Document** means the document sent to Eligible Retail Shareholders inviting them to subscribe for New Shares under the Retail Entitlement Offer.

**Share(s)** means a fully paid ordinary share in the capital of the Company.

**TERP** means theoretical ex-rights price.

**TiO<sub>2</sub>** means titanium dioxide.

**t** means tonnes.

**TiZir** or **TiZir Joint Venture** means TiZir Limited a United Kingdom incorporated joint venture company that owns 90% of GCO and 100% of TTI. MDL and ERAMET hold an equal investment (50/50) in TiZir.

**Top Up Offer** means a facility to be offered to Eligible Retail Shareholders to subscribe for additional New Shares under the Retail Entitlement Offer.

**TTI** means the TiZir Titanium & Iron ilmenite upgrading facility in Tyssedal, Norway.

**US Securities Act** means U.S. Securities Act of 1933.

**WCP** means wet concentrator plant.

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## CONTACT DETAILS

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## Additional information

This Retail Offer Document (including the ASX announcements and Investor Presentation in relation to the Retail Entitlement Offer reproduced in it) and accompanying personalised Entitlement and Acceptance Form have been prepared by the Company.

No party other than the Company has authorised or caused the issue of the information in this Retail Offer Document, nor takes any responsibility for, or makes, any statements, representations or undertakings in this Retail Offer Document.

### 3. Capital structure

#### 3.1 Effect of the Entitlement Offer on capital structure

The approximate capital structure of the Company will be as follows:

Shares	Number <sup>1</sup>
Shares on issue as at 1 March 2017	103,676,341
Shares issued under the Institutional Entitlement Offer and Placement	35,784,663
New Shares offered under the Retail Entitlement Offer as per this Retail Offer Document	57,524,044
Total Shares on issue on close of the Entitlement Offer and Placement <sup>2</sup>	196,985,048

<sup>1</sup> The exact number of Shares issued under the Entitlement Offer depends on fractional Entitlements on the Record Date.

<sup>2</sup> This figure does not include any Shares which may be issued on the vesting of existing performance rights currently on issue or any proposed performance rights relating to the 2017 long term incentives which are yet to be granted to executives of the Company. The Company intends to issue up to 1,168,209 performance rights to various MDL executives and will be seeking shareholder approval at the Company's upcoming annual general meeting in respect of the proposed issue of up to 499,234 performance rights to the Managing Director.

#### 3.2 Financial effect of the Entitlement Offer and Placement

Please see the Investor Presentation for the financial effect of the Entitlement Offer and Placement on the Company.

#### 3.3 Impact on control

The Directors do not believe that the Entitlement Offer will have a material effect on the control of the Company as no individual Shareholder currently owns more than 20% of the Shares and the Company does not expect any Shareholder to have Voting Power in MDL of more than 20% after completion of the Entitlement Offer.

#### 3.4 Directors

All Directors intend to participate in full in the Entitlement Offer.

### 4. Risk factors

#### 4.1 Introduction

The Company's operations are subject to a number of risks which may impact on its future performance and forecasts. Before applying for New Shares, Shareholders should carefully consider and evaluate the Company and its business and whether the New Shares are suitable to acquire having regard to their own investment objectives and financial circumstances and taking into consideration the material risk factors.

In particular, Shareholders should consider the risk factors outlined in the *Appendix 1 – Key Risks* section of the Investor Presentation included in this Retail Offer Document, any of which could affect the operating and financial performance of the Company or the value of an investment in the Company. The risk factors set out in the Investor Presentation are not exhaustive.

You should consult your stockbroker, accountant, solicitor or other independent professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer. The Company has applied to ASX for the grant of official quotation of the New Shares and any Additional New Shares. It is expected that normal trading on ASX will commence in relation to New Shares (including any Additional New Shares) issued under the Retail Entitlement Offer on Tuesday, 28 March 2017. The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law, including for negligence) to persons who trade New Shares before the New Shares are quoted on the official list of ASX or before they receive their written confirmation of issue, whether on the basis of confirmation of the allocation provided by the Company, the Share Registry or the Underwriter. ASX accepts no responsibility for any statement in this Retail Offer Document.

#### 4.2 New Zealand Shareholders

In addition to Section 4.1 above, New Zealand Shareholders should also consider the particular taxation and currency risks associated with investing in New Shares.

### 5. Eligible Retail Shareholders

The information in this Retail Offer Document contains an offer of New Shares to Eligible Retail Shareholders in Australia and New Zealand and has been prepared in accordance with section 708AA of the Corporations Act as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84. Please refer to Section 1.1 of this Retail Offer Document for Eligible Retail Shareholder criteria.

The Retail Entitlement Offer is not being extended to any Shareholders outside Australia or New Zealand, other than potentially Company selected institutional Shareholders and investors in certain foreign jurisdictions. By returning a completed Entitlement and Acceptance Form or making a payment through BPAY®, you will be taken to have represented and warranted that you satisfy each of the Eligible Retail Shareholder criteria, including making the warranties and representations in Section 2.6 of this Retail Offer Document. Due to legal restrictions, nominees and custodians may not send copies of this Retail Offer Document or any material relating to the Retail Entitlement Offer or accept the Retail Entitlement Offer in relation to any person in the United States, or any other person acting for the account or benefit of persons in the United States, or to any person in any other jurisdiction outside Australia or New Zealand except to beneficial Shareholders who are institutional or professional investors in certain foreign countries selected by the Company.

## 6. Not investment advice or financial product advice

The Retail Entitlement Offer to which the information in this Retail Offer Document relates complies with the requirements of section 708AA of the Corporations Act as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84. The information in this Retail Offer Document is not a prospectus, product disclosure statement, disclosure document or other offering document under the Corporations Act (or any other law) and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. The Company is not licensed to provide financial product advice in respect of the New Shares and any Additional New Shares or any other financial products.

The information in this Retail Offer Document does not purport to contain all the information that you may require to evaluate a possible Application for New Shares or any Additional New Shares, nor does it contain all the information which would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with the Company's other periodic statements and continuous disclosure announcements lodged with ASX, which are available at [www.asx.com.au](http://www.asx.com.au). The information in this Retail Offer Document does not take into account the investment objectives, financial situation or needs of you or any particular investor. Before deciding whether to apply for New Shares or any Additional New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial objectives and having regard to the merits or risks involved. You should conduct your own independent review, investigation and analysis of the Shares the subject of the Retail Entitlement Offer.

If, after reading this Retail Offer Document, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, accountant, solicitor or other independent professional adviser. You should obtain any professional advice you require to evaluate the merits and risks of an investment in the Company before making any investment decision based on your investment objectives.

## 7. Foreign jurisdictions

The information in this Retail Offer Document does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer, and no action has been taken to register the Shares or otherwise permit a public offering of the New Shares in any jurisdiction outside of Australia or New Zealand. Return of the personalised Entitlement and Acceptance Form or your BPAY® payment will be taken by the Company to constitute a representation by you that there has been no breach of any such laws. Due to legal restrictions, nominees and custodians may not send copies of this Retail Offer Document or any material relating to the Retail Entitlement Offer or accept the Retail Entitlement Offer in relation to any person in the United States, or any other person acting for the account or benefit of persons in the United States, or to any person in any other jurisdiction outside Australia or New Zealand except to beneficial Shareholders who are institutional or professional investors in certain foreign countries to the extent contemplated in the Investor Presentation under the *Appendix 2 – Foreign selling restrictions* section or as the Company may otherwise permit in compliance with applicable law.

### *New Zealand*

This document does not constitute a New Zealand product disclosure statement or other disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in connection with the Financial Markets Conduct Act 2013 (NZ). Participation in New Zealand in the Entitlement Offer is open only to persons to whom financial products may be offered in New Zealand pursuant to the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (or any replacement of that notice). The taxation treatment of Australian financial products is not the same as for New Zealand financial products. The offer of New Shares (and Additional New Shares) may involve a currency exchange risk as they will be quoted on the ASX in Australian dollars.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

### *United Kingdom*

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (the 'FSMA')) has been published or is intended to be published in respect of the offer. This document is issued on a confidential basis to 'qualified investors' (within the meaning of section 86(7) of the FSMA) in the United Kingdom and these securities may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may any of its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares (and Additional New Shares) has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (the 'FPO'), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together, 'Relevant Persons'). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this document or any of its contents.



## *Hong Kong*

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the 'SFO'). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares (and Additional New Shares) have not been and will not be offered or sold in Hong Kong other than to 'professional investors' (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares (and Additional New Shares) has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares (and Additional New Shares) that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares (and Additional New Shares) may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document you should obtain independent professional advice.

## *Norway*

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The New Shares (and Additional New Shares) may not be offered or sold, directly or indirectly, in Norway except to 'professional clients' (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

## *South Africa*

This document does not, nor is it intended to, constitute a prospectus prepared and registered under the South African Companies Act and may not be distributed to the public in South Africa.

An entity or institution resident in South Africa may not implement participation in the offer unless (i) permitted under the South African Exchange Control Regulations or (ii) a specific approval has been obtained from an authorised foreign exchange dealer in South Africa or the Financial Surveillance Department of the South African Reserve Bank.

## *Singapore*

This document and any other materials relating to the New Shares (and Additional New Shares) have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares (and Additional New Shares), may not be issued, circulated or distributed, nor may the New Shares (and Additional New Shares) be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the 'SFA'), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an 'institutional investor' (as defined in the SFA) or (iii) a 'relevant person' (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares (and Additional New Shares) being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares (and Additional New Shares). As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## *France*

This document is not being distributed in the context of a public offering of financial securities (offre au public de titres financiers) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (Code monétaire et financier) and Articles 211-1 et seq. of the General Regulation of the French Autorité des marchés financiers (the 'AMF'). The New Shares (and Additional New Shares) have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This document and any other offering material relating to the New Shares (and Additional New Shares) have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed (directly or indirectly) to the public in France. Such offers, sales and distributions have been and shall only be made in France to qualified investors (investisseurs qualifiés) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2, D.411-1, L.533-16, L.533-20, D.533-11, D.533-13, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation.

Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the New Shares (and Additional New Shares) cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.

## *Mauritius*

In accordance with The Securities Act 2005 of Mauritius, no offer of New Shares (and Additional New Shares) may be made to the public in Mauritius without the prior approval of the Mauritius Financial Services Commission. Accordingly this offer is being made on a private placement basis only and does not constitute a public offering. As such, this document has not been approved or registered by the Mauritius Financial Services Commission and is for the exclusive use of the person to whom it is addressed. The document is confidential and should not be disclosed or distributed in any way without the express written permission of the Company.

## *Saudi Arabia*

Neither this document nor the New Shares (and Additional New Shares) have been approved or passed on in any way by the Capital Market Authority or any other governmental authority in the Kingdom of Saudi Arabia, nor has the Company received authorisation or licensing from the Capital Market Authority or any other governmental authority in the Kingdom of Saudi Arabia to market or sell New Shares (and Additional New Shares) within the Kingdom of Saudi Arabia. This document does not constitute and may not be used for the purpose of an offer or invitation. No services relating to the New Shares (and Additional New Shares), including the receipt of applications, may be rendered by the Company within the Kingdom of Saudi Arabia.

## *Switzerland*

The New Shares (and Additional New Shares) may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ('SIX') or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares (and Additional New Shares) may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares (and Additional New Shares) will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations.

Neither this document nor any other offering or marketing material relating to the New Shares (and Additional New Shares) have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares (and Additional New Shares) will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document is personal to the recipient only and not for general circulation in Switzerland.

## *United States*

This Retail Offer Document, and any accompanying ASX announcements and the Entitlement and Acceptance Form, do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States.

Neither the New Shares (and Additional New Shares) nor the Entitlements may be offered or sold in the United States or to any other person acting for the account or benefit of persons in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction in the United States. Neither the New Shares (and Additional New Shares) nor the Entitlements in the Retail Entitlement Offer have been, nor will be, registered under the US Securities Act. Accordingly, the New Shares (and Additional New Shares) and the Entitlements in the Retail Entitlement Offer will be sold only in 'offshore transactions' as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act. Because of these legal restrictions, you must not distribute, release or send this Retail Offer Document or the Entitlement and Acceptance Form, or copies thereof, or any other material relating to the Retail Entitlement Offer to any person in the United States. Persons acting as nominees for other persons must not participate in the Retail Entitlement Offer and the nominee must not take up any Entitlement on behalf of, or send any materials related to the Entitlement Offer to, any person in the United States or any person that is acting for the account or benefit of persons in the United States.

The distribution of this document outside Australia or New Zealand may be restricted by law. In particular, this document or any copy of it must not be taken into or distributed or released in the United States or distributed or released to any person in the United States or to any person acting for the account or benefit of persons in the United States.

## **8. Underwriting**

The Company has entered into an underwriting agreement with the Underwriter (**Underwriting Agreement**). Under the Underwriting Agreement, the Underwriter is appointed by the Company on an exclusive basis, to act as lead manager, Underwriter and bookrunner for the Entitlement Offer and Placement. The obligations of the Underwriter are subject to the satisfaction of certain conditions precedent, including:

- (a) ASX not indicating that it will not admit the Shares issued under the Placement and Entitlement Offer to quotation; and
- (b) receipt by the Underwriter of certain customary opinions and reports from the Company and its advisers.

The Company has (subject to certain limitations) agreed to indemnify the Underwriter and its related bodies corporate and each of their directors, officers, agents, employees and advisers against losses in connection with the Placement and Entitlement Offer.

The Company and the Underwriter have given certain customary representations, warranties and undertakings in connection with (among other things) the conduct of the Placement and Entitlement Offer.

The Underwriter may terminate the Underwriting Agreement and be released from its obligations if any of a range of events occur and provided in some instances that the event would amongst other things, have a material adverse effect on the: financial condition, financial position or financial prospects of MDL; market price of the Shares offered under the Placement or Entitlement Offer or Shares on ASX; success or outcome of the Placement and Entitlement Offer; or ability of the Underwriter to market or promote or settle the Placement and Entitlement Offer.

Key termination events include the following:

- (a) (**misleading disclosure**) a statement contained in the offer documents is or becomes misleading or deceptive or a matter required to be included is omitted from the offer documents;
- (b) (**offer cleansing statement**) an offer cleansing statement is defective, or a corrective statement is required to be issued under the Corporations Act;
- (c) (**market fall**) the ASX/S&P 200 Index:
  - (i) in respect of the Institutional Entitlement Offer:
    - A. closes on any business day between the date of the Underwriting Agreement and 4.00pm on the institutional closing date, at a level that is 10% or more below the level of that index at market close on the business day immediately prior to the date of this document (**Starting Level**); or

- (ii) in respect of the Retail Entitlement Offer:
  - A. closes on any three consecutive business days before the retail settlement date at a level that is 10% or more below the Starting Level; or
  - B. closes on a business day that is one or two business days before the retail settlement date at a level that is 10% or more below the Starting Level and closes at a level that is 10% or more below the Starting Level on each subsequent business day (if any) before the retail settlement date;
- (d) **(unable to proceed)** MDL is or will be prevented from conducting or completing the Placement and Entitlement Offer (including granting the Entitlements or issuing the Shares offered under the Placement and Entitlement Offer (**Offer Securities**)) by or in accordance with the ASX Listing Rules, ASIC, ASX, any applicable laws or an order of a court of competent jurisdiction, or otherwise are or will become unable or unwilling to do any of these things or a third party applies to a court of competent jurisdiction seeking orders to prevent, or which will have the effect of preventing any of these things;
- (e) **(force majeure)** there is an event or occurrence, including any statute, order, rule, regulation, directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any government agency which makes it illegal for the Underwriter to satisfy an obligation under this document, or to market, promote or settle the Placement and Entitlement Offer;
- (f) **(listing)**:
  - (i) MDL ceases to be admitted to the official list of ASX or the Offer Securities (or interests in them) cease trading or are suspended from official quotation or cease to be quoted on the ASX (other than a voluntary suspension requested by MDL and consented (such consent not to be unreasonably withheld or delayed) to by the Underwriter to facilitate the Placement and Entitlement Offer);
  - (ii) ASX makes any official statement to any person, or indicates to MDL or the Underwriter that it will not grant permission for the official quotation of the Offer Securities; or
  - (iii) permission for the official quotation of the Offer Securities is granted before the date of issue of those Offer Securities, the approval is subsequently withdrawn, qualified or withheld;
- (g) **(notifications)** any of the following notifications are made:
  - (i) an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the offer documents or the Placement and Entitlement Offer or ASIC commences, or gives notice of an intention to hold, any investigation or hearing in relation to the Placement and Entitlement Offer or any of the offer documents; or
  - (ii) ASIC prosecutes or commences proceedings against or gives notice of an intention to prosecute or commence proceedings against MDL;
- (h) **(no misleading or deceptive conduct)** MDL engages in conduct that is misleading or deceptive or which is likely to mislead or deceive in connection with the making of the Placement and Entitlement Offer;
- (i) **(withdrawal)** MDL withdraws or indicates that it does not intend to proceed with the Placement and Entitlement Offer or any part of the Placement and Entitlement Offer;
- (j) **(market disruption)** either of the following occurs:
  - (i) a general moratorium on commercial banking activities in Australia, the United States of America or the United Kingdom is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or
  - (ii) trading in all securities quoted or listed on ASX, the London Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for more than 1 day on which that exchange is open for trading;
- (k) **(certificate)** any certificate which is required to be furnished by MDL under this document is not furnished when required or is untrue, incorrect or misleading in a material respect;
- (l) **(timetable delay)** any event specified in the timetable is delayed for more than 2 business days without the prior written consent of the Underwriter (such consent not to be unreasonably withheld or delayed);
- (m) **(prosecution)** any of the following occurs:
  - (i) a director of MDL is charged with an indictable offence;
  - (ii) any government agency commences any public proceedings against MDL or any director in their capacity as a director of MDL, or announces publicly that it intends to take such action;
  - (iii) any director of MDL is disqualified from managing a corporation under Part 2D.6 of the Corporations Act; or
  - (iv) MDL or any of its directors engage in any fraudulent activity;
- (n) **(ASX waivers and ASIC modifications)** approval for any ASX waivers or ASIC modifications is subsequently withdrawn or revoked or amended in such a way that in the reasonable opinion of the Underwriter, would have a material adverse effect on the success of the Placement and Entitlement Offer;
- (o) **(trading halt)** a trading halt ends before the expiry of the relevant period referred to in the timetable without the prior written consent of the Underwriter (such consent not to be unreasonably withheld or delayed);
- (p) **(debt facilities)**:
  - (i) a group member, materially breaches, or defaults under any provision, undertaking, covenant or ratio of a material debt or financing arrangement or any related documentation to which that entity is a party, which is not promptly waived by the relevant financier or financiers; or
  - (ii) an event of default or event which gives a lender or financier to a group member the right to accelerate or require repayment of the debt or financing, or other similar material event occurs under or in respect of any such debt or financing arrangement or related documentation which is not promptly waived by the relevant financier or financiers; or



- (q) **(insolvency)** an insolvency event occurs to a group member or there is an act which has occurred or any omission made which would result in an insolvency event occurring in respect of any group member.

The above is not an exhaustive list of the termination events specified in the Underwriting Agreement.

The Underwriter will be remunerated by the Company for providing its services pursuant to the Underwriting Agreement at market rates and reimbursed for certain expenses.

## **9. Financial data**

The pro forma financial information included in this Retail Offer Document (including information set out in the accompanying Investor Presentation) does not purport to be in compliance with Article 11 of Regulation S-X under the US Securities Act and was not prepared with a view toward compliance with the published guidelines of the US Securities and Exchange Commission or the American Institute of Certified Public Accountants.

## **10. Information availability**

Eligible Retail Shareholders in Australia or New Zealand can obtain a copy of this Retail Offer Document during the period of the Retail Entitlement Offer by calling the Share Registry on 1300 850 505 (within Australia) or +61 3 9415 5000 (outside Australia) between 8.30am to 5.00pm (Melbourne time) Monday to Friday during the Retail Entitlement Offer Period. A replacement Entitlement and Acceptance Form can be requested by calling the Share Registry.

## **11. Forward-looking statements and future performance**

Neither the Company, its officers, employees, agents, associates and advisers, nor any other person warrants or guarantees the future performance of the New Shares, any Additional New Shares or any return on any investment made pursuant to the information in this Retail Offer Document. Forward-looking statements, opinions and estimates provided in the information in this Retail Offer Document are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. These statements can generally be identified by the use of words such as 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'predict', 'guidance', 'plan' and other similar expressions. Any forward-looking statements including projections, guidance on future production, sales, earnings, dividends, and other estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Board, including the risks described in the accompanying Investor Presentation, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward-looking statements in this Retail Offer Document.

## **12. Past performance**

Past performance information given in this Retail Offer Document is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. The historical information in this Retail Offer Document is, or is based upon, information that has been released to the market. For further information, please see past announcements released to ASX.

Term	Definition
Additional New Share	A New Share offered and issued under the Top Up Offer
Applicant	An Eligible Retail Shareholder who applies for New Shares (and if applicable, Additional New Shares) under this Retail Offer Document
Application	An application for a specified number of New Shares (and if applicable, Additional New Shares) by an Applicant under this Retail Offer Document
Application Monies	Funds accompanying a completed Entitlement and Acceptance Form or funds paid by BPAY®
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires
ASX Listing Rules	The listing rules of ASX
ASX Settlement Rules	The Settlement Operating Rules made by ASX Settlement Pty Limited ACN 008 504 532
Board	The Directors acting as a board of the Company
Closing Date	The date on which the Retail Entitlement Offer closes, expected to be 5.00pm (Melbourne time) on 20 March 2017
Committed Facility	A US\$60 million facility put in place by ERAMET (US\$30 million) and MDL (US\$30 million) following discussions with TiZir bondholders in December 2015 and made available to TiZir primarily for the payment of interest up until maturity of the TiZir bond. The facility is fully underwritten by ERAMET
Company or MDL	Mineral Deposits Limited ACN 064 377 420
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Directors	The directors of the Company
Eligible Retail Shareholder	As defined in Section 1.1 of this Retail Offer Document
Entitlement	The number of New Shares each Eligible Retail Shareholder is offered under the Retail Entitlement Offer as designated on their Entitlement and Acceptance Form
Entitlement and Acceptance Form	The personalised form for participation in the Retail Entitlement Offer attached to or accompanying this Retail Offer Document
Entitlement Offer	The fully underwritten pro rata accelerated non-renounceable entitlement offer of 3 New Shares for every 4 Existing Shares at A\$0.42 per New Share
Excess Amount	Any monies in excess of the full amount of Application Monies for an Eligible Retail Shareholder's whole Entitlement
Existing Shares	Shares on issue at the Record Date
GST	Good and Services Tax
Institutional Entitlement Offer	Has the meaning given in the Chairman's Letter
Investor Presentation	The investor presentation released to ASX on Thursday, 2 March 2017 and included and forming part of this Retail Offer Document
Issue Price	The price payable for one New Share under the Entitlement Offer or A\$0.42
Melbourne time	The time in Melbourne, Australia
New Share	A Share offered and issued under the Entitlement Offer
Non Eligible Foreign Shareholder	A Shareholder with an address in the Company's share register outside Australia or New Zealand, unless the Company is satisfied that it is not precluded from lawfully issuing New Shares to that Shareholder either unconditionally or after compliance with conditions which the Board in its sole discretion regards as acceptable and not unduly onerous
Offer Period	Thursday, 9 March 2017 to Monday, 20 March 2017, or any other date as may be determined by the Company
Placement	Has the meaning given in the Chairman's Letter
Record Date	7.00pm (Melbourne time) on Monday, 6 March 2017

Term	Definition
Retail Entitlement Offer	The retail component of the Entitlement Offer being the offer of 3 New Shares for each 4 Existing Shares on the terms set out in this Retail Offer Document to Eligible Retail Shareholders
Retail Offer Document	This document
Section	Means a section of this Retail Offer Document
Share	A fully paid ordinary share in the capital of the Company
Shareholder	A holder of at least one Share as recorded on the Company's share register
Share Registry	Computershare Investor Services Pty Limited ABN 48 078 279 277
TiZir	United Kingdom incorporated joint venture company that owns 90% of the Grande Côte mineral sands operation in Senegal, West Africa and 100% of the TiZir Titanium and Iron ilmenite upgrading facility in Tyssedal, Norway . MDL and ERAMET SA of France hold an equal investment (50/50) in TiZir
Top Up Offer	The offer described in Section 1.3 of this Retail Offer Document
Underwriter	Morgans Corporate Limited ACN 010 539 607
Underwriting Agreement	The agreement defined in Section 8 of this Retail Offer Document
US Securities Act	U.S. Securities Act of 1933, as amended
Voting Power	Has the meaning given to this term in section 610 of the Corporations Act

### *Directors*

Nic Limb (non-executive chairman)  
Robert Sennitt (managing director)  
Martin Ackland (executive)  
Robert Danchin (non-executive/deputy chairman)  
Tom Whiting (non-executive)  
Charles (Sandy) MacDonald (non-executive)

### *Executive management*

Jozsef Patarica (chief operating officer)  
Greg Bell (chief financial officer)  
Michaela Evans (company secretary)

### *Registered office*

Level 17 530 Collins Street  
Melbourne Victoria 3000  
Australia  
T +61 3 9618 2500  
F +61 3 9621 1460  
E [mdlmail@mineraldeposits.com.au](mailto:mdlmail@mineraldeposits.com.au)  
W [mineraldeposits.com.au](http://mineraldeposits.com.au)

### *Share registry*

Computershare Investor Services Pty Ltd  
452 Johnston Street  
Abbotsford Victoria 3067  
Australia  
T 1300 850 505  
T +61 3 9415 5000 (outside Australia)

### *Australian lawyers to the Offer*

Minter Ellison  
Level 23 Rialto Towers  
525 Collins Street  
Melbourne Victoria 3000  
Australia

### *Underwriter*

Morgans Corporate Limited  
Level 28 367 Collins Street  
Melbourne Victoria 3000  
Australia

### *Shareholder enquiries*

If you have any questions on how to complete the Entitlement and Acceptance Form or how to take up your Entitlement, please call the MDL Shareholder Information Line (between 8.30am and 5.00pm weekdays Melbourne time):

T 1300 850 505 (within Australia)  
T +61 3 9415 5000 (outside Australia)

You should consult your stockbroker, accountant or other professional adviser if you are in any doubt as to whether to participate in the Retail Entitlement Offer.



MINERAL DEPOSITS LIMITED  
ABN 19 064 377 420

## For all enquiries:

**Phone:**  
(within Australia) 1300 850 505  
(outside Australia) 61 3 9415 5000

**Web:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)

MDL

MR SAM SAMPLE  
123 SAMPLE STREET  
SAMPLETOWN VIC 3000

## Make your payment:



See overleaf for details of the Offer and how to make your payment

# Non-Renounceable Retail Entitlement Offer — Entitlement and Acceptance Form

**Your payment must be received by 5:00pm (Melbourne time) Monday, 20 March 2017**

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

### Step 1: Registration Name & Offer Details

Details of the shareholding and entitlements for this Offer are shown overleaf. Please check the details provided and update your address via [www.investorcentre.com](http://www.investorcentre.com) if any of the details are incorrect. If you have a CHESSE sponsored holding, please contact your Controlling Participant to notify a change of address.

### Step 2: Make Your Payment

You can apply to accept either all or part of your Entitlement. If you accept your full Entitlement, you can also apply for Additional New Shares. Enter the number of New Shares you wish to apply for and the amount of payment for those New Shares.

By making your payment you confirm that you agree to all of the terms and conditions as detailed in the Retail Offer Document dated 6 March 2017.

Choose one of the payment methods shown below.

**BPAY®:** See overleaf. Do not return the payment slip with BPAY payment. If the amount of your payment received is more than the amount payable for your full Entitlement, you will be taken to have applied for Additional New Shares.

**By Mail:** Complete the reverse side of the payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to **"Mineral Deposits Limited - Retail Offer"** and cross **"Not Negotiable"**. The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account. Entering your contact details is not compulsory, but will assist us if we need to contact you.

### Declaration:

The Retail Offer Document and this Entitlement and Acceptance Form do not constitute an offer or invitation to acquire New Shares (or Additional New Shares) in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation. By completing and submitting this Entitlement and Acceptance Form or by using the **BPAY®** facility by 5:00pm (Melbourne time) Monday, 20 March 2017, you will be accepting the Retail Entitlement Offer and be deemed to have represented, warranted, acknowledged and agreed for the benefit of Mineral Deposits Limited that you are entitled to exercise such Entitlements and subscribe for New Shares (including any Additional New Shares) in accordance with all applicable laws, and that:

- you make and agree to be subject to and bound by all representations, declarations, warranties and agreements in the Retail Offer Document;
- the New Shares (and Additional New Shares) will be issued under the terms of the Retail Offer Document and holders of New Shares (and Additional New Shares) are bound by the terms of the constitution of Mineral Deposits Limited as amended from time to time;
- you acknowledge that the Entitlements, the New Shares and any Additional New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the **"U.S. Securities Act"**) or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia or New Zealand. Accordingly, neither the New Shares nor any Additional New Shares may be offered, sold or resold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction in the United States;
- you are not in the United States and you will not send the Retail Offer Document, the Entitlement and Acceptance Form or any other material relating to the Retail Entitlement Offer to any person in the United States or any other country outside Australia and New Zealand; and
- if you are acting as a nominee for other persons you must not send any documents related to the Retail Entitlement Offer to any person in the United States or any person in respect of whom it would be unlawful in the circumstances under applicable laws (including foreign laws) to acquire New Shares or Additional New Shares for the account or benefit of.

**Turn over for details of the Offer →**

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**

Mineral Deposits Limited Non-Renounceable Retail Entitlement Offer

Payment must be received by 5:00pm (Melbourne time) Monday, 20 March 2017

© Registered to **BPAY** Pty Limited ABN 69 079 137 518

Entitlement and Acceptance Form with Additional Shares

X 9999999991 I ND

STEP 1 Registration Name & Offer Details

Registration Name: MR SAM SAMPLE  
123 SAMPLE STREET  
SAMPLETOWN VIC 3000

For your security keep your  
SRN/HIN confidential.

Entitlement No: 12345678

Offer Details: Existing shares entitled to participate as at  
6 March 2017:  
  
Entitlement to New Shares  
on a 3 for 4 basis:  
  
Amount payable on full acceptance  
at \$0.42 per New Share:

STEP 2 Make Your Payment

B  
PAY

Billers Code: 999999  
Ref No: 1234 5678 9123 4567 89

Contact your financial institution to make your  
payment from your cheque or savings account.

Pay by Mail:  
Make your cheque, bank draft or money order payable to "Mineral Deposits  
Limited - Retail Offer" and cross "Not Negotiable".  
Return your cheque with the below payment slip to:  
**Computershare Investor Services Pty Limited**  
**GPO BOX 505 Melbourne Victoria 3001 Australia**

**Lodgement of Acceptance**  
If you are applying for New Shares and your payment is being made by **BPAY**, you do not need to return the payment slip below. Your payment must be received by no later than 5:00pm (Melbourne time) Monday, 20 March 2017. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited (CIS) nor Mineral Deposits Limited accepts any responsibility for loss incurred through incorrectly completed **BPAY** payments. It is the responsibility of the applicant to ensure that funds submitted through **BPAY** are received by this time.  
If you are paying by cheque, bank draft or money order the payment slip below must be received by CIS by no later than 5:00pm (Melbourne time) Monday, 20 March 2017. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Other Eligible Shareholders will need to affix the appropriate postage. Return the payment slip below with cheque attached. Neither CIS nor Mineral Deposits Limited accepts any responsibility if you lodge the payment slip below at any other address or by any other means.

**Privacy Notice**  
The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing [privacy@computershare.com.au](mailto:privacy@computershare.com.au). We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at [privacy@computershare.com.au](mailto:privacy@computershare.com.au) or see our Privacy Policy at <http://www.computershare.com/au>.

Detach here

Mineral Deposits Limited Acceptance Payment Details

Entitlement taken up (being not more than your  
Entitlement shown above):

Number of Additional New  
Shares applied for:

Total number of New Shares  
subscribed for:

Amount enclosed at \$0.42 per  
New Share:

A\$



Entitlement No: 12345678

MR SAM SAMPLE  
123 SAMPLE STREET  
SAMPLETOWN VIC 3000

Payment must be received by 5:00pm (Melbourne time) Monday, 20 March 2017

Contact Details

Contact  
Name

Daytime  
Telephone

Cheque Details

Drawer

Cheque Number

BSB Number

Account Number

Amount of Cheque  
A\$