

MDL INVESTOR PRESENTATION

Investor Presentation
April 2018



STATEMENTS

MDL OVERVIEW

- Mineral Deposits Limited (**MDL**) jointly owns and manages the TiZir Limited (**TiZir**) joint venture, which owns 90% of the Grande Côte mineral sands operation (**GCO**) in Senegal, West Africa and 100% of the TiZir Titanium & Iron ilmenite upgrading facility (**TTI**) in Tyssedal, Norway. ERAMET SA of France is MDL's 50% joint venture partner in TiZir.

FORWARD-LOOKING STATEMENTS

- Certain information contained in this presentation including any information on MDL's plans or future financial or operating performance and other statements that express management's expectations or estimates of future performance, constitute forward-looking statements. Such statements are based on a number of estimates and assumptions that, while considered reasonable by management at the time, are subject to significant business, economic and competitive uncertainties. MDL cautions that such statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of MDL to be materially different from the company's estimated future results, performance or achievements expressed or implied by those forward-looking statements. These factors include the inherent risks involved in mining, operation of mineral processing facilities, exploration and development of mineral properties, 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.
- Past performance information given in this presentation is given for illustrative purposes only and is not necessarily a guide to future performance. 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 presentation is, or shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or future performance 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 presentation.
- Information in this presentation should be read in conjunction with other announcements made by MDL to the ASX.
- Nothing in this presentation should be construed as either an offer to sell or a solicitation to buy or sell MDL securities.

STRONG SHARE PRICE PERFORMANCE

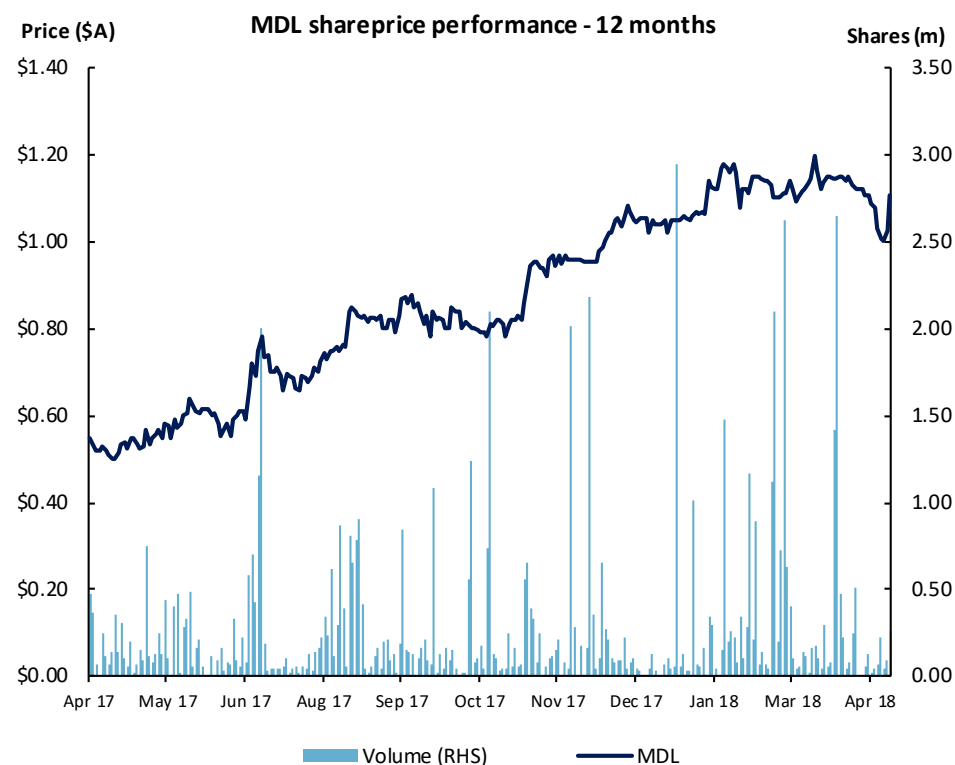
SHARE PRICE REFLECTS ACHIEVEMENT OF KEY MILESTONES AND AN IMPROVING COMMODITY MARKET

MARKET SNAPSHOT

Share price (as at 24 April 2018)	A\$1.155
Shares on issue	~197m
Market capitalisation	~A\$228m
Net cash (Debt) (as at 31 March 2018)	~A\$14.6m
12 month share price range	A\$0.50 - A\$1.22

MAJOR SHAREHOLDERS¹

Allan Gray Australia	16.04%
L1 Capital	8.84%
Ellerston	8.35%
Farjoy	7.82%
Morgan Stanley Australia	7.72%
Tiga (Thorney Investments)	5.44%
Top 20 Shareholders (as at 24 April 2018)	87.83%



1. Major shareholder percentages are as disclosed to MDL in substantial holding notices

MDL – 50% OWNER AND MANAGER OF THE TIZIR JOINT VENTURE

THE INTEGRATION OF GCO AND TTI UNDERPINS TIZIR'S SUCCESS

GCO mine

- High-quality zircon, ilmenite (largely consumed by TTI), rutile and leucoxene
- 33 year expected mine life

TTI upgrading facility

- Nameplate capacity of 230ktpa chloride titanium slag and 100ktpa of high-purity pig iron
- Valuable technology and IP

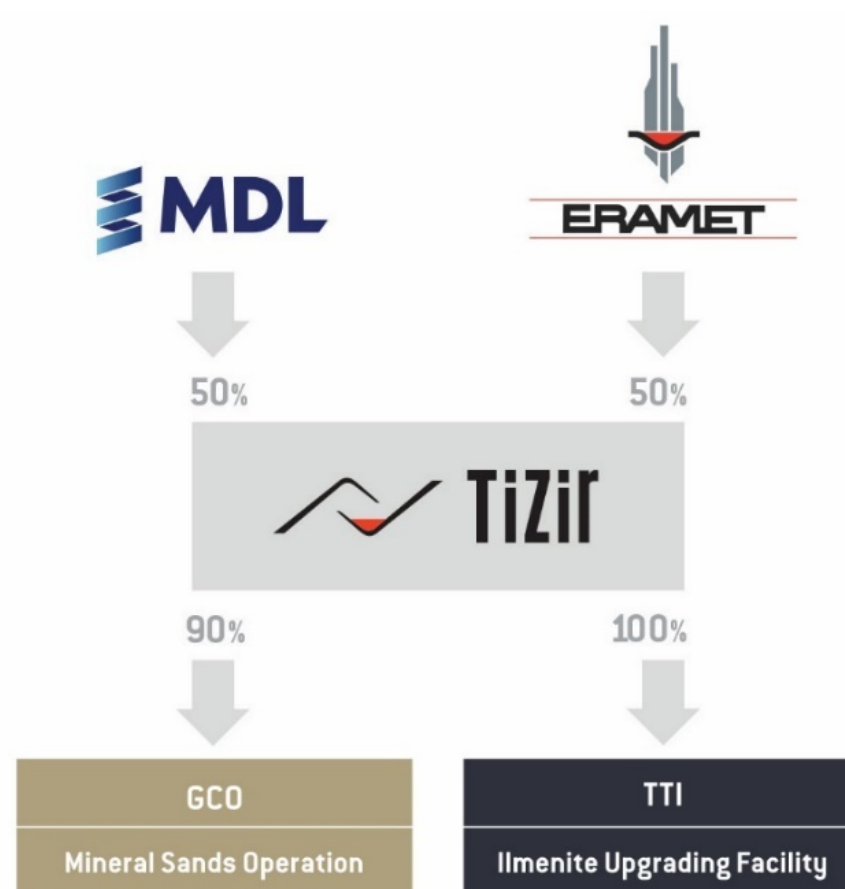
Capital expenditure program complete

- GCO ~US\$650m mine construction (2014)
- TTI ~US\$70m furnace upgrade and expansion (2015)

Balance sheet

- Total assets of US\$965m¹
- Funded by ¹: corporate bond (US\$300m), net working capital facilities (US\$23m) and shareholder loans (US\$231.5m)
- MDL book value: A\$1.57 per share²

Experienced management teams at GCO & TTI



1. As at 31 December 2017

2. Calculated using Tizir net assets as at 31 December 2017 and an AUD:USD exchange rate of \$0.77

REVIEW OF OPERATIONS 1Q 2018

CONSISTENT MINING PERFORMANCE AT GCO, LOWER PRODUCTION AT TTI

GCO

- Mining rate averaged 6,357tph at 79.4% utilisation
- Magnetic concentrate processing deferred to align ilmenite production with rail availability
 - Capacity exists for additional magnetic concentrate processing in 2Q 2018
- GCO sales unaffected by kiln downtime at TTI
- Continuous improvement program continues with focus on throughput, recovery and runtime
- Volumes and prices for zircon, rutile and leucoxene all up on 4Q 2017 levels
- Mine life extended from 2043 to 2050

Production		1Q 2018	2017 Avg.	%
HMC	kt	189.5	181.2	5%
Ilmenite	kt	104.1	123.1	(15%)
Zircon	kt	15.8	15.4	3%
Rutile/Leucoxene	kt	2.7	2.5	10%

TTI

- Performance in January and early February was approaching nameplate capacity of 230ktpa
 - Furnace efficiencies continue to outperform expectations
- Gearbox failure in the pre-reduction kiln in February resulted in six weeks of significantly reduced production
- Repairs completed and production recommenced mid-April in accordance with six week timetable
- Supply of high-grade feedstocks continues to be constrained, placing upward pressure on prices
- Pig iron markets also exhibiting price strength

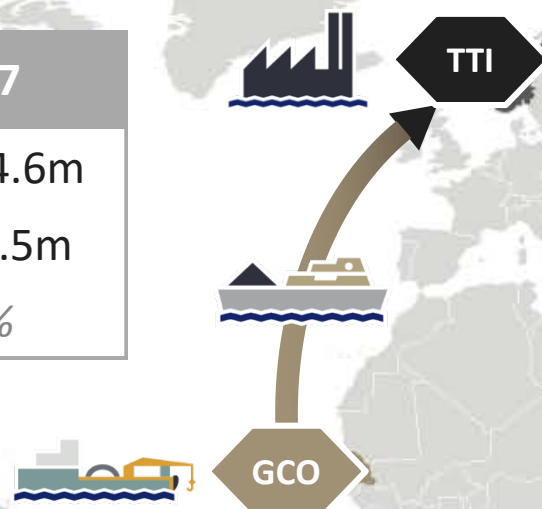
Production		1Q 2018	2017 Avg. ¹	%
Titanium Slag	kt	34.0	45.3	(25%)
HPPI	kt	14.2	18.5	(23%)

1. TTI underwent a period of ramp in 2017 following furnace repairs 2016

TIZIR OPERATIONS AND SOURCES OF REVENUE

TIZIR PRODUCES HIGH-GRADE TITANIUM FEEDSTOCKS AND PREMIUM QUALITY ZIRCON

TiZir	2017
Revenue	US\$224.6m
EBITDA	US\$62.5m
Margin	28%



REVENUE SOURCES¹

TiO ₂	45-55%
Zr	25-30%
HPPI	10-15%
Ilm	10-12%

1. Proportions are indicative averages over GCO's life of mine based on current internal sales and price forecasts. 'TiO₂' includes chloride slag from TTI and rutile and leucoxene from GCO, 'Ilm' reflects external ilmenite sales

MINERAL SANDS MARKET UPDATE: HIGH-GRADE TITANIUM FEEDSTOCKS

TIGHTNESS IN PIGMENT SECTOR IMPACTING POSITIVELY ON PRICES

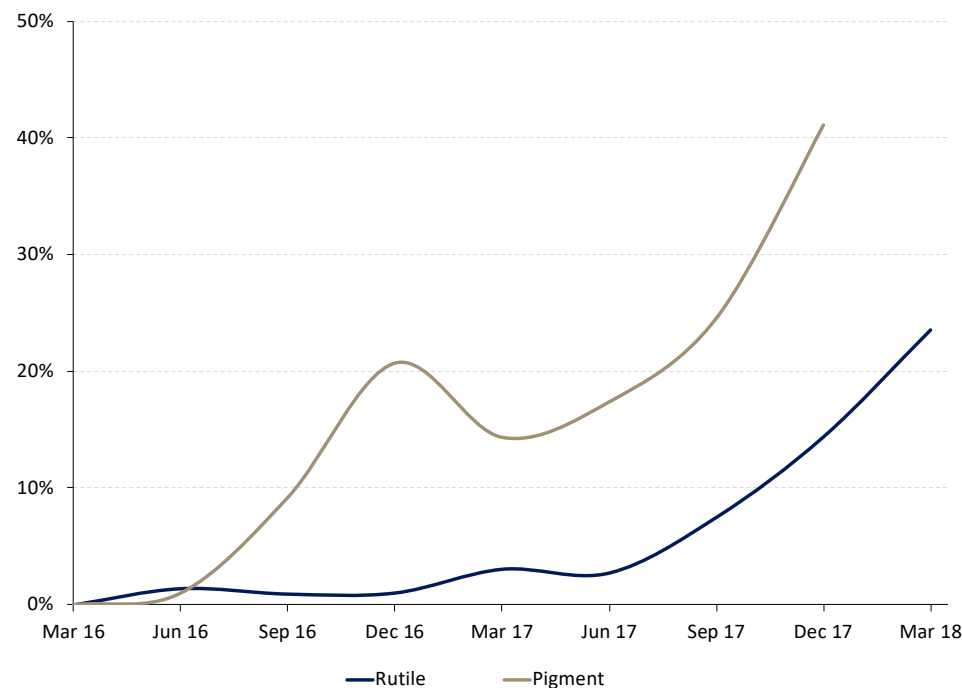
Pigment sector leading the way for feedstocks

- Improving global macroeconomic fundamentals driving demand growth for TiO₂ pigments
- Pigment supply/demand conditions are tight
 - pigment producers focused on securing high-grade feedstocks to optimise production yields
 - pressure on pigment prices persists, with an ~25% increase throughout 2017
- Chinese production impacted by increased environmental focus
 - some existing sulphate plant capacity closed
 - signs that cleaner chloride technologies are being adopted

Demand for titanium feedstocks is heating up

- Previously idled capacity has largely restarted
- Major producers face significant capex profile to maintain supply, new projects have weaker economics
- Demand and current supply side pressures are likely to see continued price pressure in the near-term
- Rutile prices up ~10% in 2017, similar increases achieved in chloride slag prices

Rutile and Pigment market prices¹



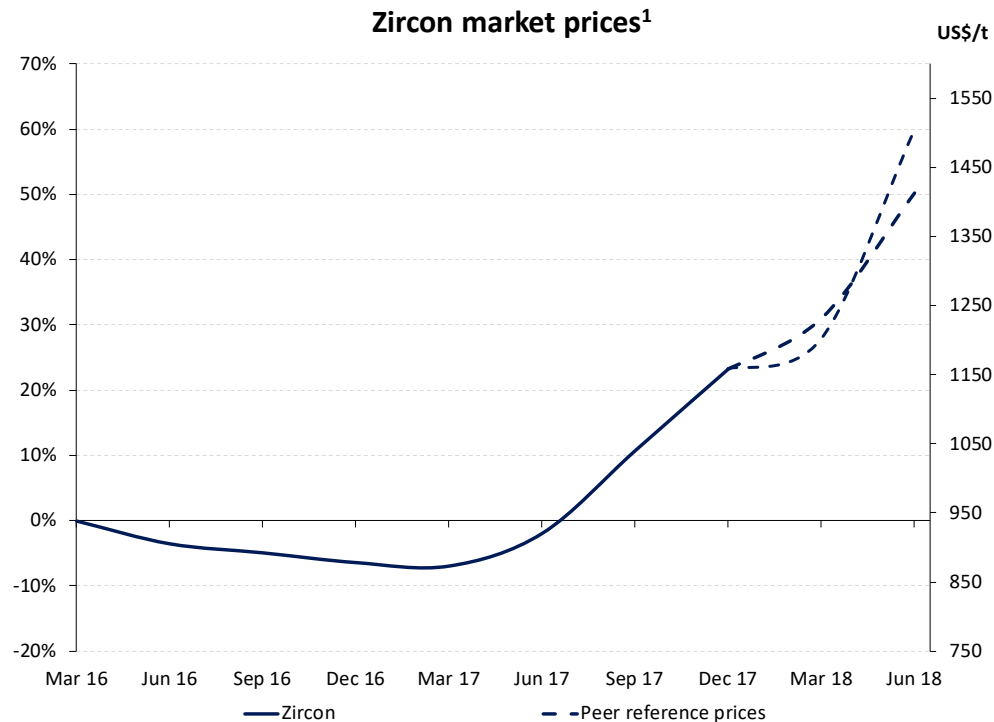
1. Underlying data sourced from international trade statistics and peer disclosures

MINERAL SANDS MARKET UPDATE: ZIRCON

FORECAST SUPPLY DEFICITS DRIVING STRONG PRICE RECOVERY

Zircon market reflecting tight conditions

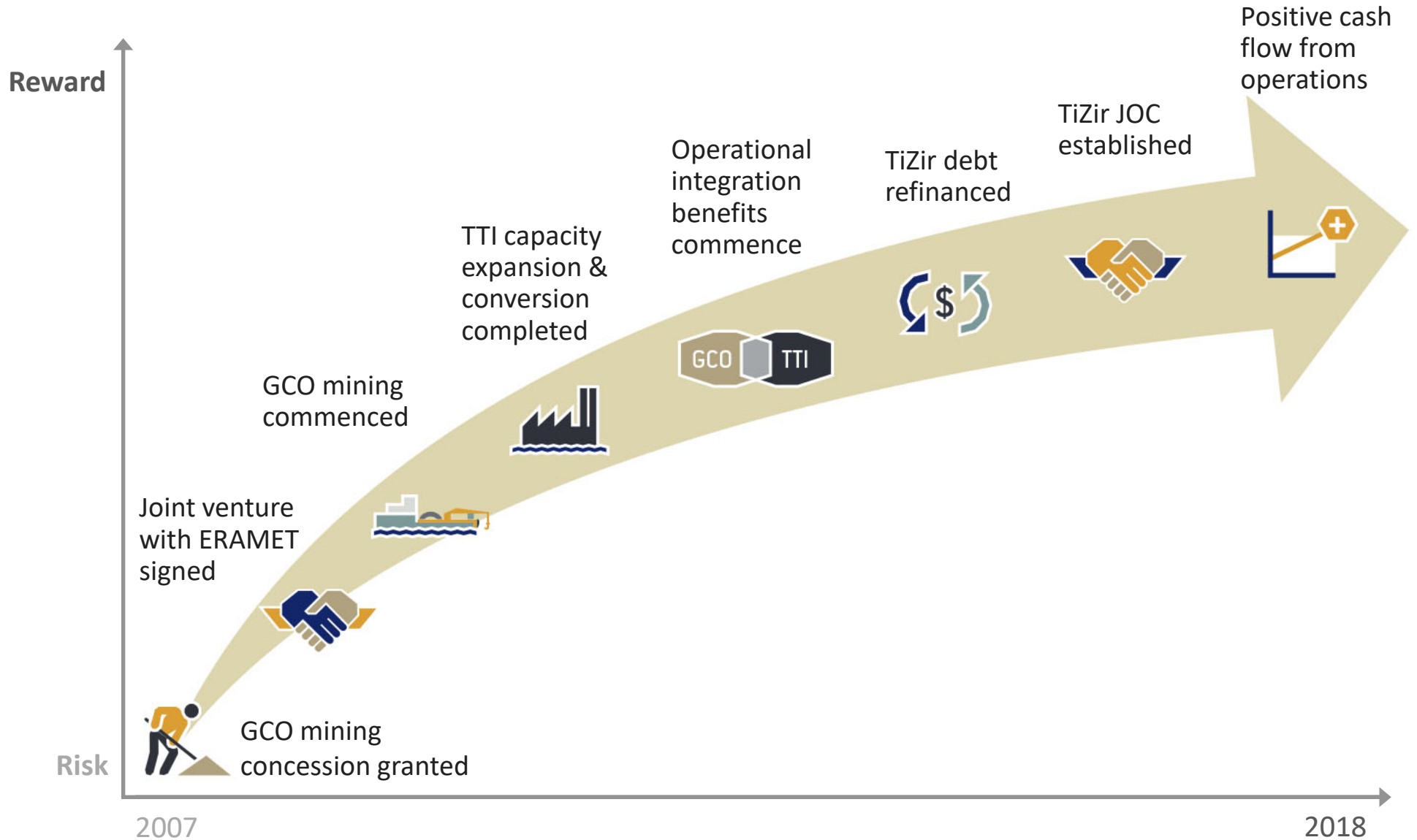
- Improving economic fundamentals driving demand growth for 'quality of life' products
- Supply remains tight
 - supply shortages expected to grow over the coming 12-18 months
 - inventories largely depleted
 - key customers on 'rationed' volumes
- No significant new sources of supply forecast in the near-term
 - significant capex required to bring new projects online
- GCO high-quality zircon continues to command a premium with prices increasing approximately 15% over 4Q 2017 levels
 - sales increasingly focused on speciality applications
- Further reference price increases flagged by major producers beyond recently announced price increases in 2Q 2018



1. Underlying data sourced from international trade statistics and peer disclosures

TIZIR CONTINUES TO DE-RISK

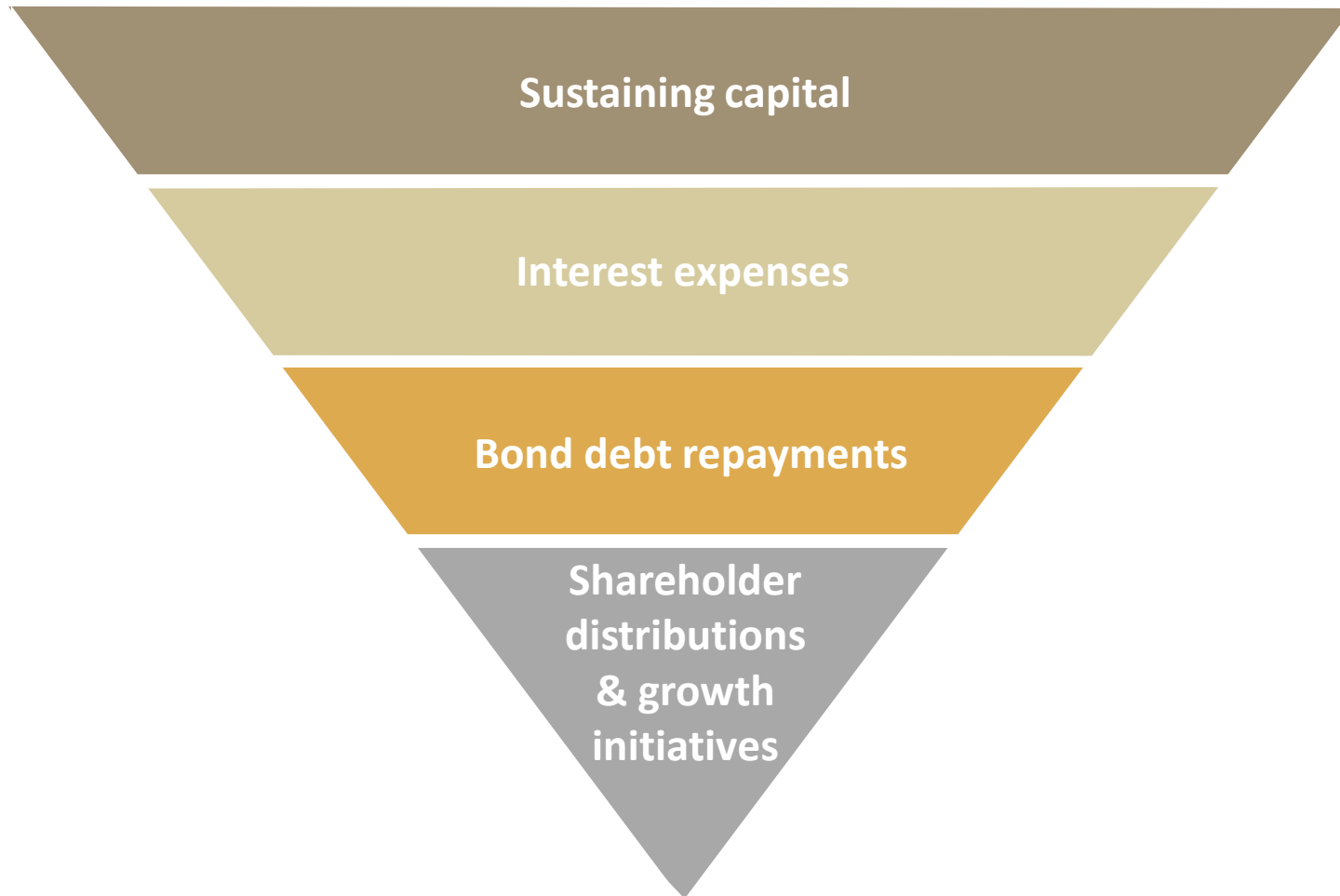
ONGOING ACHIEVEMENT OF SIGNIFICANT MILESTONES



CAPITAL ALLOCATION PRIORITIES

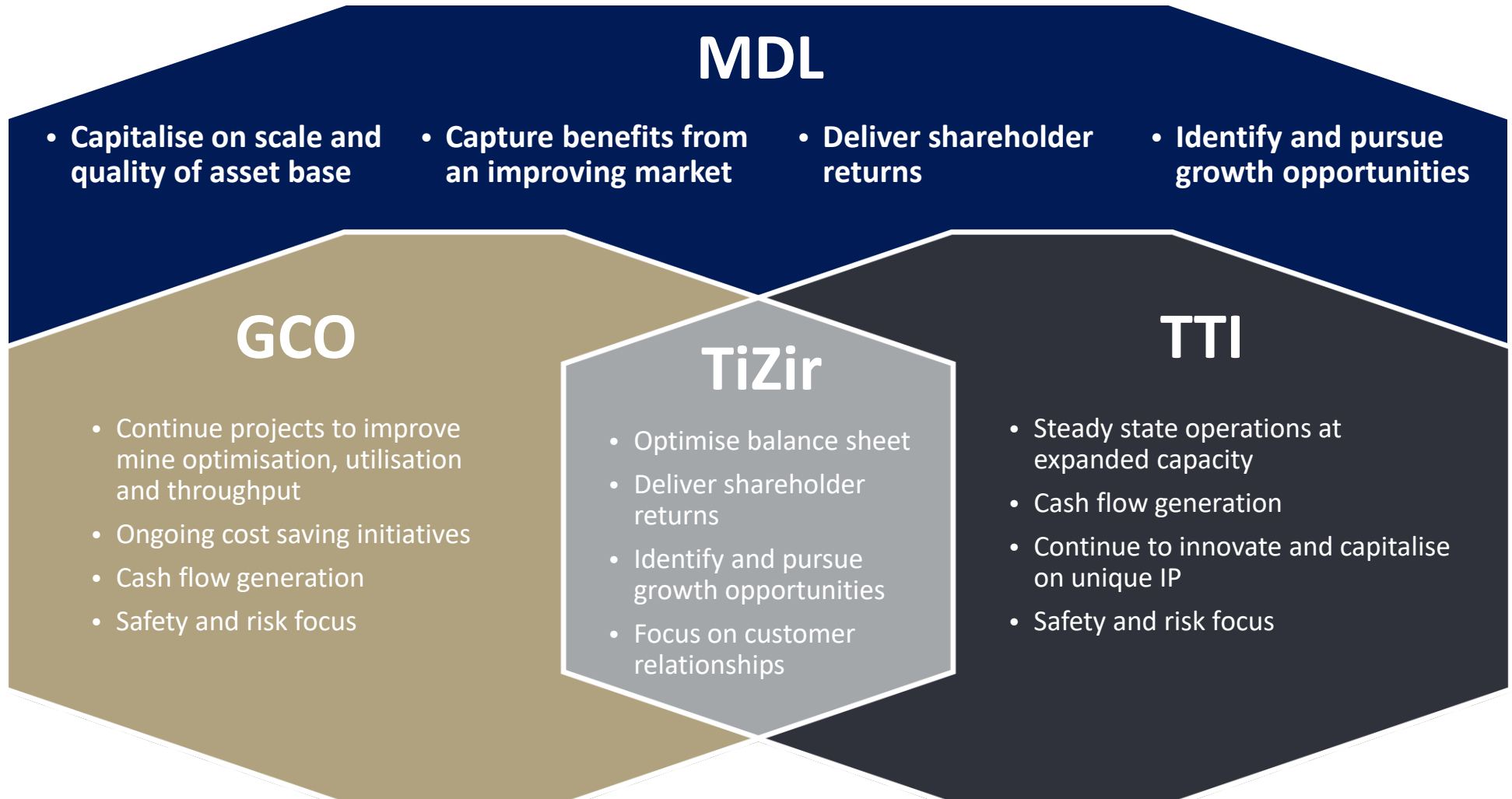
SURPLUS CASH FLOW WILL INITIALLY BE DIRECTED AT REDUCING DEBT TO A MORE SUSTAINABLE LEVEL

TIZIR CASH FLOW FROM OPERATIONS



2018 STRATEGY

DELIVERING SHAREHOLDER VALUE



CONTACT DETAILS

For further information please contact:

Robert Sennitt

Managing Director

Jozsef Patarica

Chief Operating Officer

Greg Bell

Chief Financial Officer

Level 17, 530 Collins Street
Melbourne Victoria 3000
Australia

T +61 3 9618 2500

F +61 3 9621 1460

E mdlmail@mineraldeposits.com.au

W mineraldeposits.com.au

