

MDL UPDATE

Investor Presentation
30 June 2017



ASX: MDL



STATEMENTS

MDL OVERVIEW

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

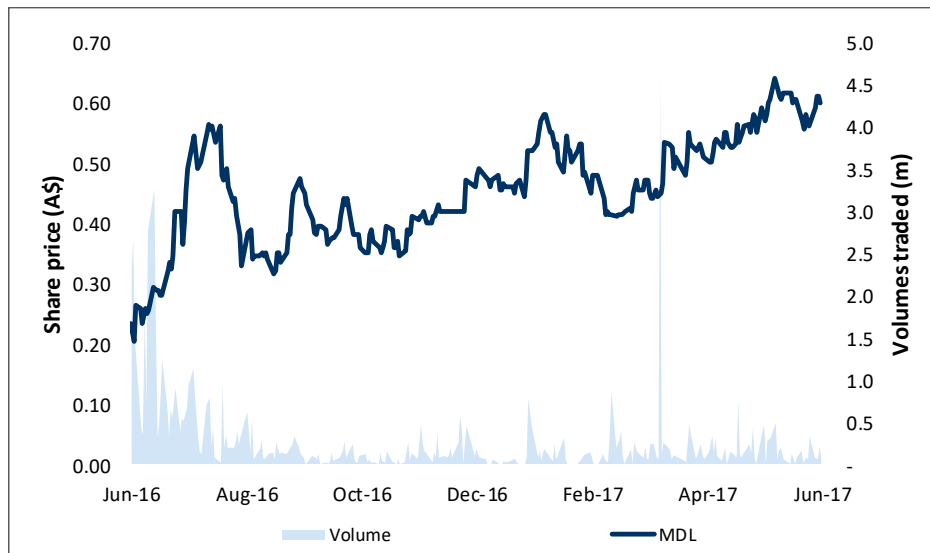
FORWARD-LOOKING STATEMENTS

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

MDL UPDATE

MDL OWNS 50% OF THE TIZIR JOINT VENTURE

Share price (as at 29 June 2017)	A\$0.59
Shares on issue	~197.0m
Market capitalisation	~A\$116.2m
12 month high	A\$0.645
12 month low	A\$0.20



Building platform to deliver shareholder returns

- Operations
 - Record run times and improved production consistency at GCO
 - Successful furnace upgrade and commissioning at TTI
 - Focus on safety and risk management
 - Implementation of cost efficiencies
- Financing
 - MDL recapitalisation complete
 - Work continuing on TiZir bond refinancing

Improving market conditions

- Zircon market strengthening: higher prices and volumes realised across all markets
- High-grade titanium feedstock market tightening: returning to normal inventory levels

THE TIZIR JOINT VENTURE – A SNAPSHOT

AN INTEGRATED PRODUCER OF HIGH GRADE ZIRCON AND TITANIUM SLAG

GCO mine

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

TTI facility

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

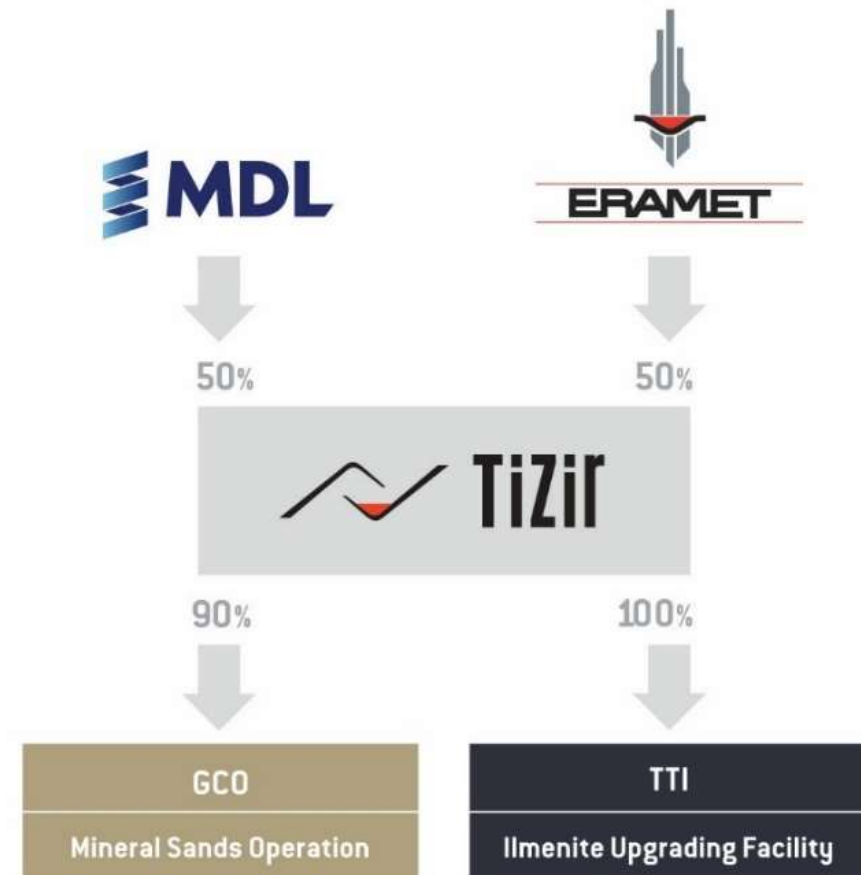
Capital expenditure program complete

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

Balance sheet

- Total assets of US\$933m at 31 December 2016
- Funded by: corporate bond (US\$275m), working capital facilities (drawn to US\$38m) and shareholder loans (US\$210m)

Experienced management teams at GCO & TTI



TIZIR – AN INTEGRATED PRODUCER OF TITANIUM FEEDSTOCK

KEY BENEFITS OF INTEGRATION DELIVERED

GCO

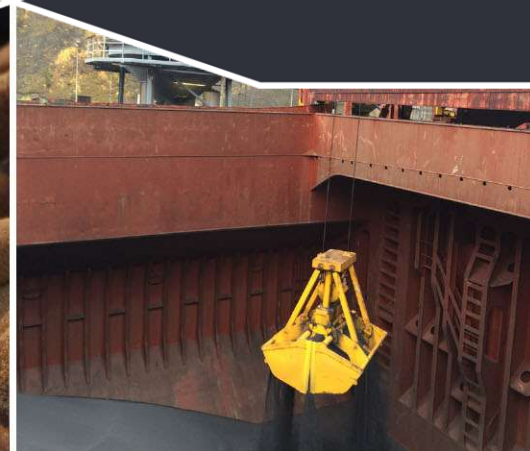
- Long life mine
- Low cost dredge mining
- High-quality product suite
- Owned and operated power and water infrastructure
- Ownership or control of key mine to port infrastructure

INTEGRATION BENEFITS

- Production flexibility
- Minimise risk profile
- Maximise margins
- Lower logistics costs

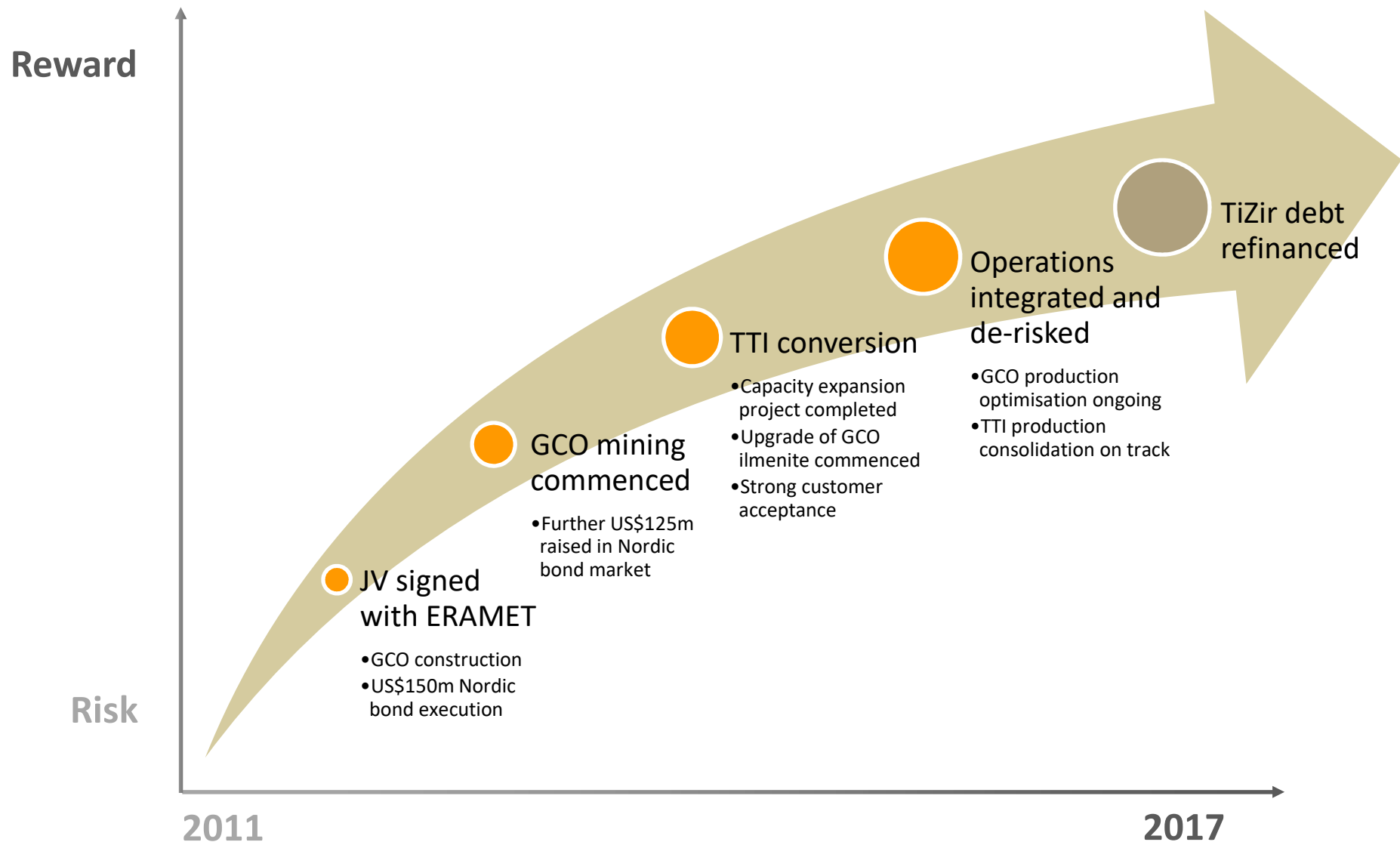
TTI

- Operating for over 30 years
- Valuable intellectual property
 - technology/knowledge
 - operational expertise
- Low cost, hydro-sourced electric power
- Recent capacity upgrade



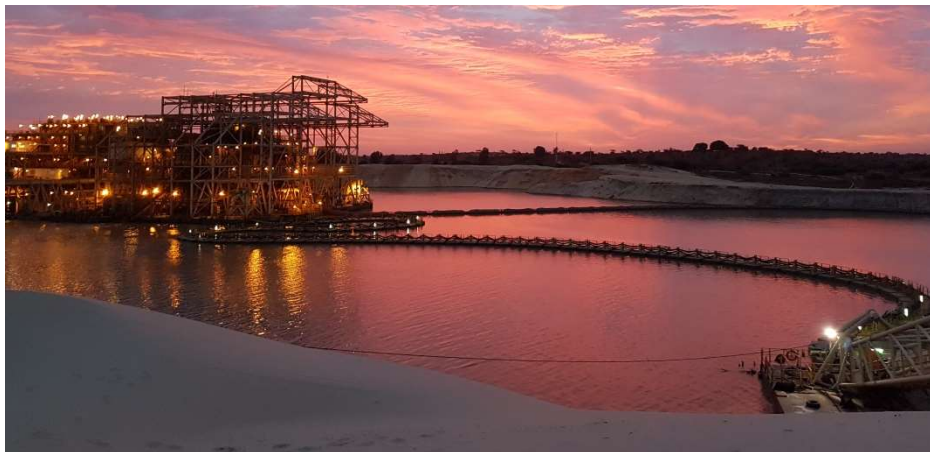
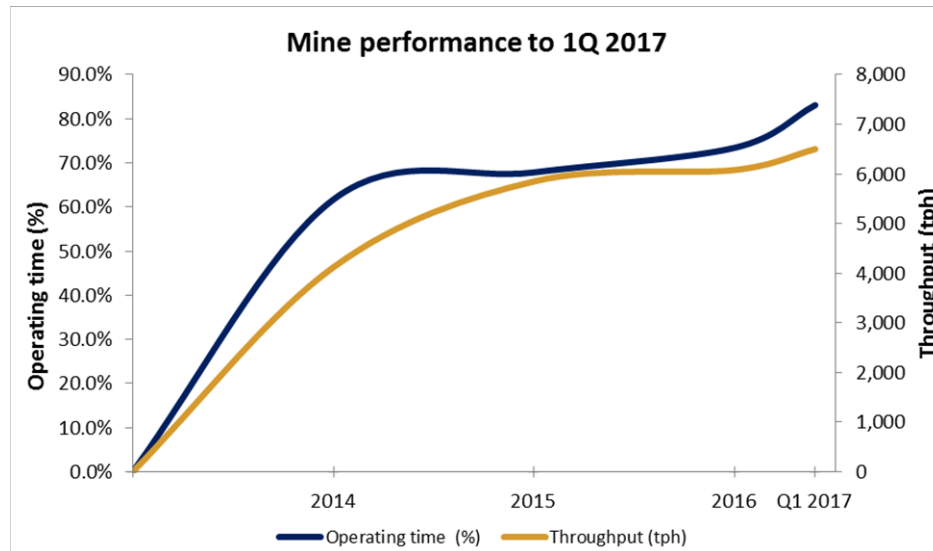
TIZIR DE-RISKED AS MAJOR MILESTONES ARE ACHIEVED

SINCE 2011 TIZIR HAS STEADILY PROGRESSED TOWARDS DELIVERING RETURNS TO SHAREHOLDERS



GCO UPDATE

CONTINUED FOCUS ON HIGHER UTILISATION AND THROUGHPUT



Positive cash flows for three consecutive quarters

Strong production results continue

- New mine management team
- Record dredge and WCP runtime
- 2Q 2017 on track for record heavy mineral concentrate and finished goods production

Mine Optimisation Study being implemented

- Focused on maximising cash flows
- Optimised mine path and schedule

Continuous Improvement Program

- To deliver improved performance and cost efficiencies
- Introduction of medium-grade zircon product capitalising on rising zircon prices

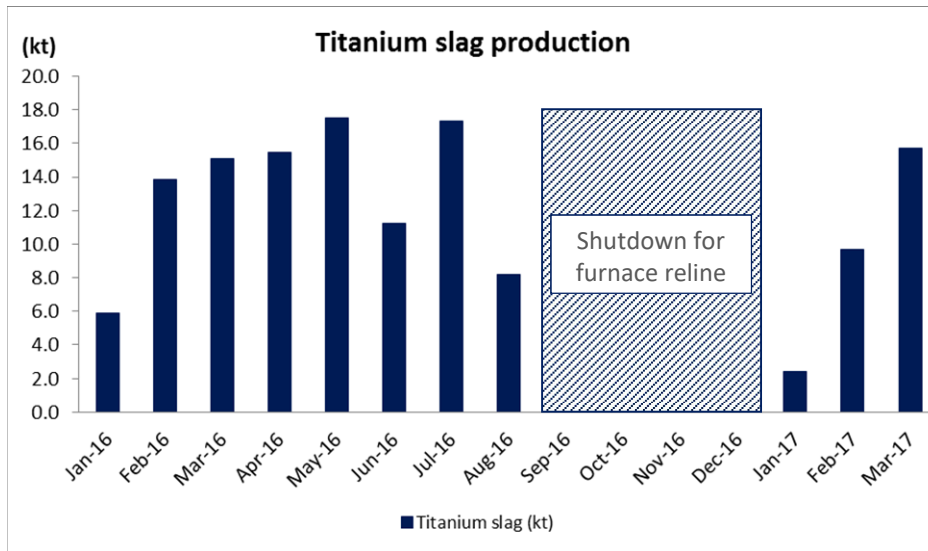
Increase in Ore Reserve to 21.7Mt of heavy mineral¹

- GCO mine life to 2043

1: ASX release – 22 February 2017 (Grande Côte Mineral Resource and Ore Reserve Update) and 24 February 2017 (Annual Statement of Mineral Resources and Ore Reserves as at 31 December 2016). MDL confirms that it is not aware of any new information or data that materially affects the information included in the ASX releases of 22 February 2017 and 24 February 2017 and that all material assumptions and technical parameters underpinning the estimates in these releases continue to apply and have not materially changed.

TTI UPDATE

UPGRADE PROJECT A SUCCESS



Initial ramp up in early 2016 exceeded expectations

- Production rates achieved in 3Q 2016 approximated expanded capacity targets

Furnace restart in January 2017 ahead of schedule

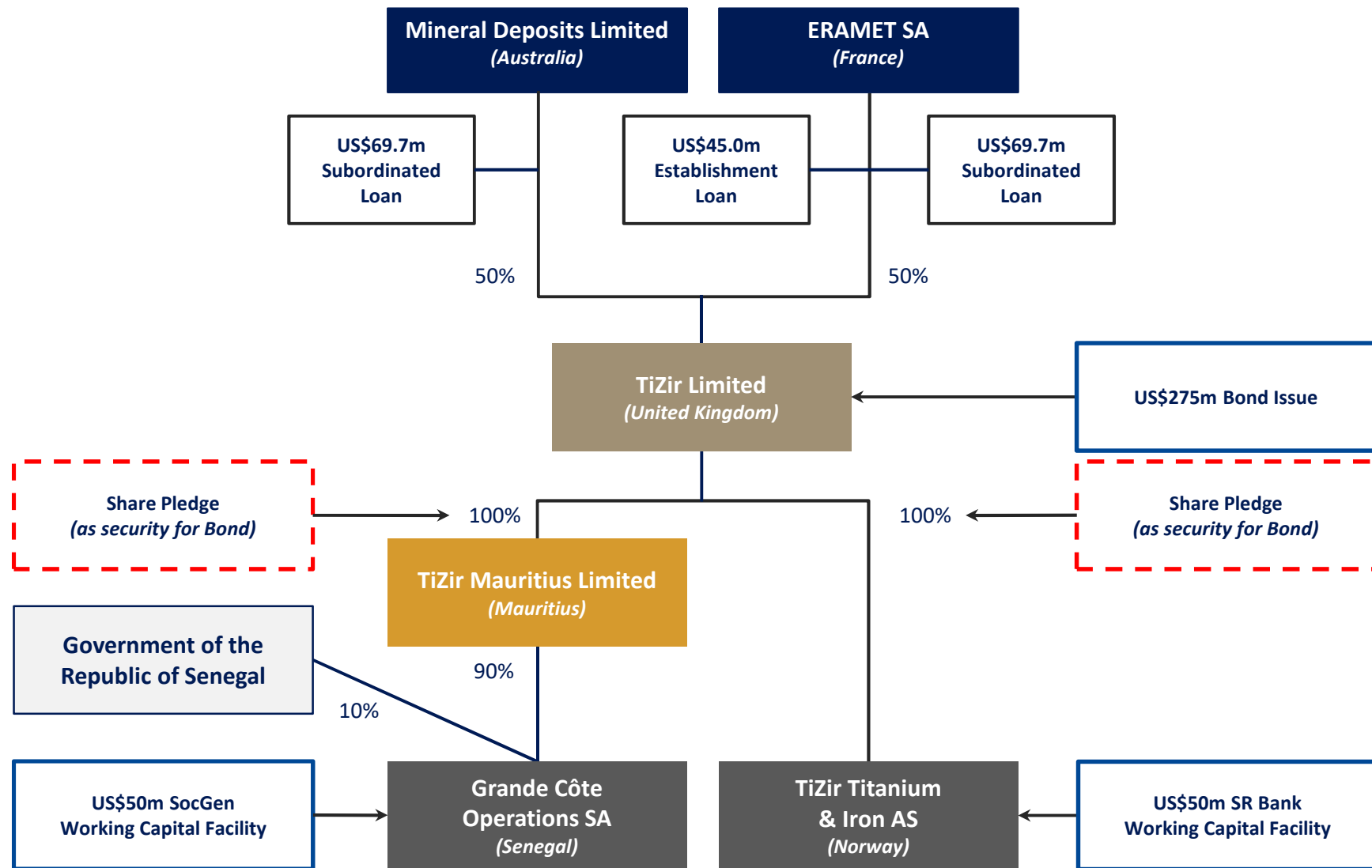
- First shipments of titanium slag ahead of plan
- Improved operational efficiencies (utilising less coal and energy)
- Consistent, high-quality product produced from GCO ilmenite

Smelter production consolidation phase to expanded capacity

- 2Q 2017 on track to deliver production levels equivalent to approx. 85% of expanded capacity

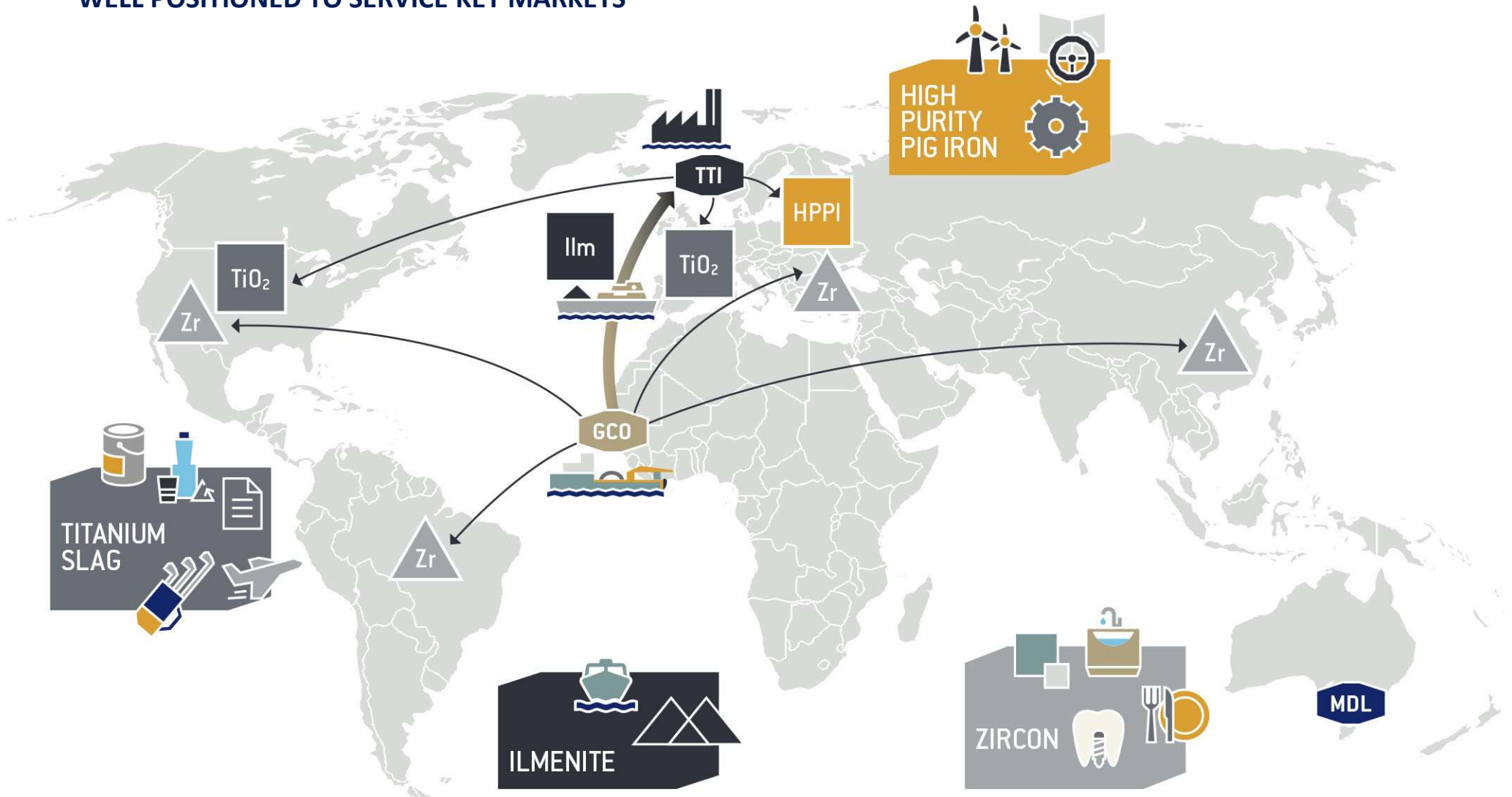
Cost efficiency programs continue

TIZIR DEBT STRUCTURE



TIZIR LOCATIONS AND PRODUCTS

WELL POSITIONED TO SERVICE KEY MARKETS



MINERAL SANDS MARKET UPDATE

INDUSTRY MARKET DYNAMICS



INDUSTRY CHARACTERISTICS

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

IMPROVING MARKET CONDITIONS

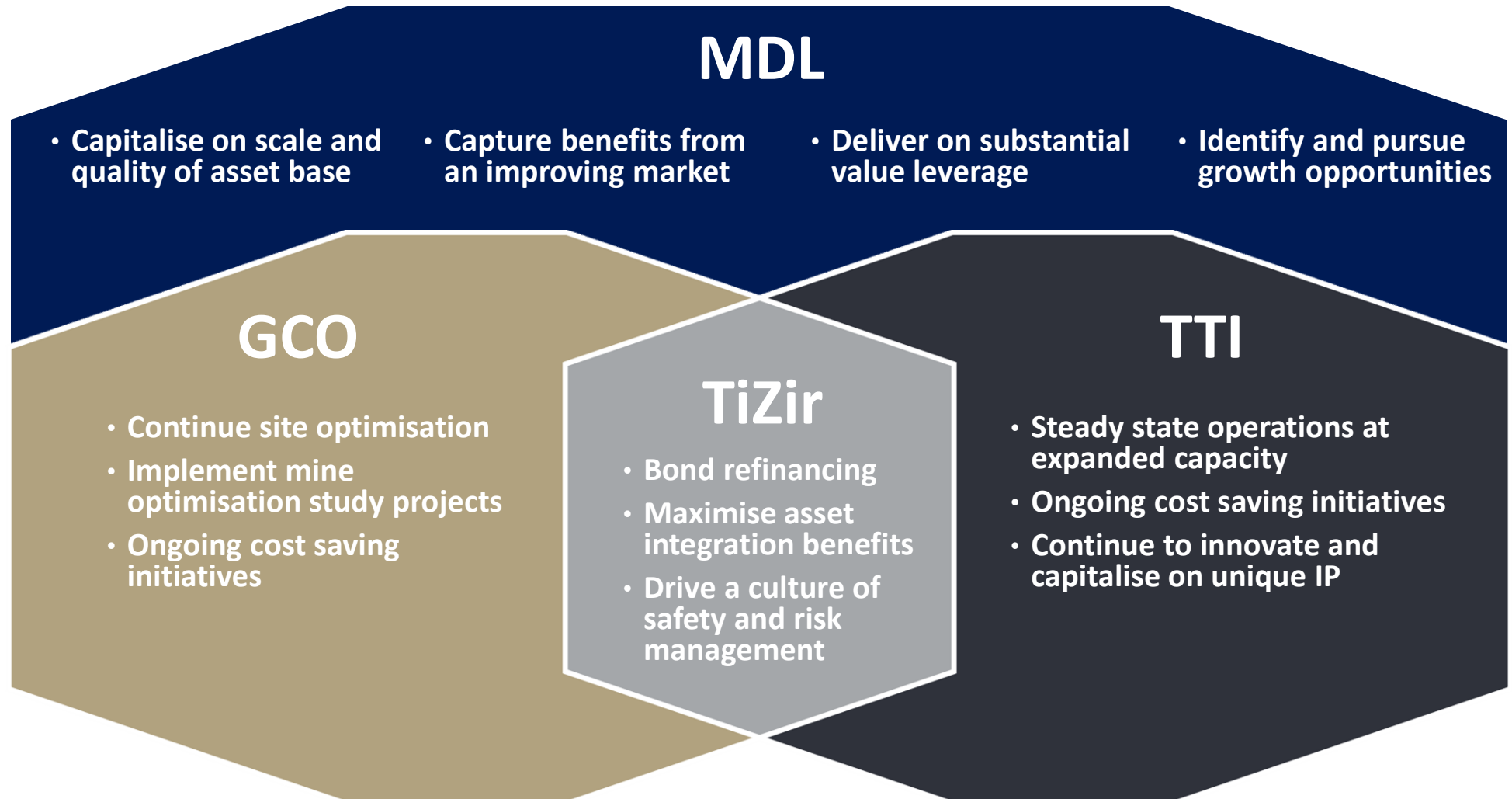
- Demand growth driven by improving economic fundamentals
- Inventory destocking at all levels of supply chain
- Downtime events
- Investment deferrals
- Export restrictions (Vietnam, India)
- Environmental pressure driving rationalisation in China

INDUSTRY OUTLOOK

- Improving market dynamics
- Pigment
 - contract prices continue to increase
- High-grade titanium feedstock
 - restart of idled operations removing excess capacity
- Zircon
 - supply limitations point to further price recovery

2017 STRATEGY

DELIVERING SHAREHOLDER VALUE



SIGNIFICANT LEVERAGE FOR MDL SHAREHOLDERS

STRONG PLATFORM TO GROW SHAREHOLDER WEALTH



Improving sector outlook



Value leverage

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



Substantial five year capital program complete

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



Integrated operations maximising margin and minimising risk



Operations largely de-risked as reflected in improving financial performance



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

CONTACT DETAILS

For further information please contact:

Rob 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

