

## NOTICE OF ANNUAL GENERAL MEETING & PROXY FORM

Mineral Deposits Limited (**MDL**, the **Company**) is pleased to provide the Notice of Annual General Meeting 2017 and Proxy Form for the Company's Annual General Meeting to be held on Thursday, 4 May 2017 at 10.30am (Melbourne time) at the office of MinterEllison, Level 23, 535 Collins Street, Melbourne, Victoria.

The Notice of Annual General Meeting, Proxy Form, Annual Report 2016 and Business Review 2016 will be mailed or emailed to all shareholders who have elected to receive printed or electronic copies of those documents. The documents are also available on the MDL website: [mineraldeposits.com.au](http://mineraldeposits.com.au).

MDL encourages shareholders to elect to receive Company communications, such as those above, electronically. To go paperless, shareholders may visit the [Computershare Investor Centre](#), create an account or login (if an existing user) and update their communications preferences to receive future communications via email.

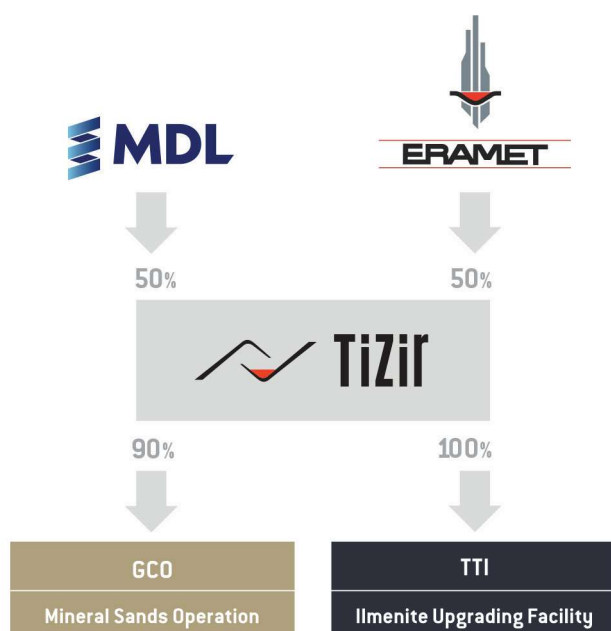
## ABOUT MDL

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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# NOTICE OF ANNUAL GENERAL MEETING 2017



MINERAL DEPOSITS LIMITED  
ABN 19 064 377 420

Notice is hereby given that the Annual General Meeting of Shareholders of Mineral Deposits Limited (MDL or the Company) will be held on:

Thursday, 4 May 2017 at 10.30am (Melbourne time)

At the office of MinterEllison  
Level 23, 525 Collins Street, Melbourne, Victoria, Australia

The Explanatory Notes that accompany and form part of this Notice of Annual General Meeting describe the various matters to be considered.

## BUSINESS

To receive and consider the consolidated financial statements of the Company and its controlled entities for the year ended 31 December 2016 together with the reports of the Directors and the auditor as set out in the annual report for the year.

### Resolution 1: Adoption of Remuneration Report

To consider and, if thought fit, pass the following Resolution:

'THAT the Remuneration Report for the year ended 31 December 2016, submitted as part of the directors' report for the year ended 31 December 2016, be adopted.'

It should be noted that the vote on this Resolution 1 is advisory only and does not bind the Directors or the Company.

#### Voting Exclusion Statement

Voting exclusions apply to Resolution 1. Please see section 9.1 of the Explanatory Notes.

### Resolution 2: Re-election of Mr Nic Limb as a Director

To consider and, if thought fit, pass the following Resolution:

'THAT Mr Nic Limb, a Director retiring by rotation in accordance with clause 61 of the Company's Constitution, being eligible for re-election and having signified his candidature for the office, be re-elected as a Director of the Company.'

### Resolution 3: Re-election of Dr Tom Whiting as a Director

To consider and, if thought fit, pass the following Resolution:

'THAT Dr Tom Whiting, a Director retiring by rotation in accordance with clause 61 of the Company's Constitution, being eligible for re-election and having signified his candidature for the office, be re-elected as a Director of the Company.'

### Resolution 4: Ratification of issue of Placement Shares

To consider and, if thought fit, pass the following Resolution:

'THAT pursuant to and for the purposes of ASX Listing Rule 7.4 and for all other purposes, the issue of 15,551,451 fully paid ordinary shares of the Company at A\$0.42 per share (Placement Shares), as more fully described in the Explanatory Notes, be ratified and approved.'

#### Voting Exclusion Statement

Voting exclusions apply to Resolution 4. Please see section 9.1 of the Explanatory Notes.

### Resolution 5: Approval of amendment to MDL Performance Rights Plan and issue of securities under the Plan

To consider and, if thought fit, pass the following Resolution:

'THAT for the purposes of ASX Listing Rules 7.1 and 7.2 (Exception 9(b)) and for all other purposes, approval be given to the amendments to the 2016 MDL Performance Rights Plan as described in the Explanatory Notes (Plan) (and in the form tabled by the chairman of the meeting) and the grant, allotment and issue of securities in the Company pursuant to and in accordance with the terms of the Plan, a summary of the terms of which is set out in the Explanatory Notes.'

#### Voting Exclusion Statement

Voting exclusions apply to Resolution 5. Please see section 9.1 of the Explanatory Notes.

### Resolution 6: Grant of Performance Rights to Mr Robert Sennitt as a long-term incentive

To consider and, if thought fit, pass the following Resolution:

'THAT for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval be given to the grant, allotment and issue to Mr Robert Sennitt of up to 499,234 Performance Rights to acquire fully paid ordinary shares upon exercise for no monetary consideration in accordance with the terms and conditions of the Plan and on the terms and conditions as more particularly specified in the Explanatory Notes.'

#### Voting Exclusion Statement

Voting exclusions apply to Resolution 6. Please see section 9.1 of the Explanatory Notes.

### Resolution 7: Adoption of new Constitution

To consider and, if thought fit, pass the following special Resolution:

'THAT pursuant to section 136(2) of the Corporations Act, the existing Constitution of the Company be repealed in its entirety and the Constitution tabled and signed by the chairman of the meeting for identification purposes be approved and adopted as the Constitution of the Company with effect from the close of the meeting.'

By order of the Board  
3 April 2017

Michaela Evans  
Company Secretary

## EXPLANATORY NOTES

### 1. Introduction

These Explanatory Notes have been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting of the Company (AGM) to be held at 10.30am (Melbourne time) on Thursday, 4 May 2017 at the office of MinterEllison, Level 23, 525 Collins Street, Melbourne, Victoria, Australia. These Explanatory Notes form part of the Notice of AGM and should be read together with that Notice.

### 2. Financial Statements and Reports

At the AGM, Shareholders will be given an opportunity to ask questions and comment on the directors' report, financial statements and independent auditor's report for the year ended 31 December 2016. The financial statements and reports are not subject to a Shareholder vote other than Resolution 1, being the adoption of the Remuneration Report for the year ended 31 December 2016.

A copy of the annual report, including the consolidated financial statements and the auditor's report, will be tabled at the AGM and can be accessed on the Company's website at [mineraldeposits.com.au](http://mineraldeposits.com.au).

At the meeting, the chairman will take Shareholders' questions and comments about the management of the Company. The auditor of the Company will be available to take Shareholders' questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the AGM, written questions to the auditor about the content of the auditor's report or the conduct of the audit of the annual consolidated financial statements to be considered at the AGM may be submitted not less than five business days before the AGM to:

The Company Secretary  
Mineral Deposits Limited  
Level 17, 530 Collins Street  
Melbourne Victoria 3000  
Australia

Facsimile: (+61 3) 9621 1460

Email: [companysecretary@mineraldeposits.com.au](mailto:companysecretary@mineraldeposits.com.au)

Copies of any questions received will be made available at the AGM. The chairman of the AGM will allow the auditor to answer written questions submitted to the auditor before the AGM. If the auditor has prepared a written answer to a question, the chairman of the AGM may permit the auditor to table that written answer. A written answer tabled at the AGM will be made reasonably available to Shareholders as soon as practicable after the AGM.

### 3. Resolution 1 – Adoption of Remuneration Report for the year ended 31 December 2016

In accordance with the Corporations Act, Resolution 1 puts to the vote of Shareholders at the AGM that the Company's Remuneration Report be adopted.

The Remuneration Report is contained within the directors' report in the Company's annual report for the year ended 31 December 2016. It sets out the remuneration policy for the Company and reports the remuneration arrangements in place for executive Directors, specified executives and non-executive Directors.

The vote on Resolution 1 is advisory only and does not bind the Directors or the Company. Accordingly, the Company will not be required to alter any arrangements detailed in the Remuneration Report should the Remuneration Report not be adopted. However, notwithstanding this strict legal position, the Board has determined that it will take the outcome of the vote and comments made by Shareholders on the Remuneration Report into consideration when determining the remuneration policy of the Company.

In accordance with the Corporations Act, if 25% or more of the votes cast on Resolution 1 are against adoption of the Remuneration Report, then:

- if comments are made on the Remuneration Report at the AGM, the Company's Remuneration Report for the financial period ending 31 December 2017 will be required to include an explanation of the

Board's proposed action in response or, if no action is proposed, the Board's reasons for this; and

- if, at the Company's 2018 annual general meeting, 25% or more of the votes cast on the resolution for the adoption of the Remuneration Report for the financial year ending 31 December 2017 are against its adoption, the Company must put to its Shareholders a resolution proposing that an extraordinary general meeting (**Spill Meeting**) be held within 90 days of the date of the 2018 annual general meeting. Where a Spill Resolution is carried (i.e. more than 50% of the votes cast on the Spill Resolution are in favour of the Spill Resolution), all of the Directors in office at the 2018 annual general meeting (other than a managing director of the Company who may, in accordance with ASX Listing Rules, continue to hold office indefinitely without being re-elected to the office) will cease to hold office immediately before the end of the Spill Meeting unless they are re-elected at the Spill Meeting.

Voting exclusions apply to Resolution 1. For further details of the relevant voting exclusions, please see section 9.1. The Company recommends that members who submit proxies should consider giving 'how to vote' directions to their proxyholder on each Resolution, including this Resolution 1.

The chairman of the meeting intends to vote all undirected proxies in favour of the Resolutions to be voted on at the AGM, including Resolution 1. In other words, if you complete a proxy form that authorises the chairman of the AGM to vote on your behalf as a proxyholder and you do not mark any of the boxes 'for' or 'against' or 'abstain' so as to give the chairman directions about how your vote should be cast in respect of Resolution 1, then:

- your proxy will automatically be directed in favour of the Resolution to adopt the Remuneration Report and the chairman will vote accordingly; and
- you acknowledge that you will be expressly authorising the chairman to exercise your proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the chairman.

If you wish to appoint the chairman of the AGM as your proxyholder but you do not want to put the chairman in the position to cast your vote in favour of Resolution 1, you should complete the appropriate box on the proxy form directing the chairman to vote against or abstain from voting on Resolution 1.

An opportunity to discuss the Remuneration Report will be provided at the AGM.

#### Board recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 1.

### 4. Resolutions 2 & 3 – Re-election of Directors

#### 4.1 Background

The Constitution provides that if the Company has three or more Directors, one-third of Directors (rounded down to the nearest whole number and excluding the managing director) must retire at each annual general meeting of the Company. There are currently six Directors (including the managing director) on the Board. Accordingly, two Directors are required to retire by rotation at this AGM, being those Directors who have been longest in office since their last election. The following Directors are the Directors who have been longest in office since their last election:

- Dr Tom Whiting (last re-elected in 2014);
- Mr Nic Limb (last re-elected in 2015); and
- Mr Martin Ackland (last re-elected in 2015).

The Constitution also provides that not more than one-third of the Directors must retire by rotation (being, in this case, two Directors) and that Directors elected on the same day may agree among themselves or determine by lot who must retire. Mr Limb and Mr Ackland have agreed among themselves that Mr Limb will be the Director who will be retiring by rotation alongside Dr Whiting and, being eligible to do so, both offer themselves for re-election.

**Mr Nic Limb** – Mr Limb is the non-executive chairman of MDL and was previously the Company's executive chairman – a position he held for 22 years. He has professional qualifications as a geoscientist and worked in the mineral exploration sector for 10 years. In 1983 he joined a stockbroking firm as a corporate financier in the natural resources finance

division and subsequently joined a major international investment bank as an executive director, again working in resources finance. In 1993 he became managing director of a small listed gold explorer which grew to a substantial gold producer prior to being taken over in 2000. In 1994 he formed MDL and has acted as chairman since that time. During his tenure as chairman, MDL discovered and subsequently developed the large Sabodala Gold Project in Senegal and has progressed the Grande Côte mineral sands operation to its current production status. He has been a non-executive director of a number of public companies over the last 20 years and currently holds a non-executive chair position with FAR Limited.

Mr Limb represents MDL on the TiZir joint venture board, holding the position of chairman. He is also a member of MDL's nomination & remuneration committee.

Mr Limb has been a director of the Company for 23 years.

**Dr Tom Whiting** – Tom has over 40 years' experience in global minerals exploration management including a very successful discovery track record. He held numerous senior management roles over a 20 year career with BHP Billiton, including Vice President of Minerals Exploration from 2000 to 2004. In this role, Tom was responsible for BHP Billiton's global minerals exploration program whilst based in Melbourne. His other roles included strategic overview of brownfields exploration programs for all global BHP Billiton minerals assets. He also served on the Leadership group for BHP Billiton's Diamonds and Specialty Products Customer Sector Group, which included its mineral sands business. Prior to joining BHP, Tom worked for CRA Exploration Pty Ltd based in Melbourne and Geotrex Pty Ltd (an international geophysical contractor) in Australia and Canada. He started his career with Delhi Oil based in Adelaide, Australia. He is currently non-executive chairman of the Deep Exploration Technologies Cooperative Research Centre and is a non-executive director of Stellar Resources Limited. Tom has professional qualifications as a geoscientist (PhD, BSc (Hons)) as well as in applied finance and investment (MAppFin).

Tom is chairman of the nomination & remuneration committee and a member of the audit & risk committee.

Tom has been a director of the Company since January 2012.

## 4.2 Board recommendations

The Directors (other than Mr Limb) recommend that you vote in favour of Resolution 2. Mr Limb makes no recommendation to Shareholders. All of the Directors entitled to vote on Resolution 2 intend to vote in favour of the Resolution.

The Directors (other than Dr Whiting) recommend that you vote in favour of Resolution 3. Dr Whiting makes no recommendation to Shareholders. All of the Directors entitled to vote on Resolution 3 intend to vote in favour of the Resolution.

## 5. Resolution 4 – Ratification of issue of Placement Shares

### 5.1 Background

On 2 March 2017, MDL announced a fully underwritten 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 Placement was offered primarily to existing institutional Shareholders of the Company and a number of new institutional, sophisticated and professional investors and provided the investors the opportunity to subscribe for new ordinary shares in the Company at A\$0.42 per share, to raise approximately A\$6.5 million. Shares offered under the Placement were not entitled to participate in the Entitlement Offer.

The proceeds of the Capital Raising (which includes the Placement) were 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 TiZir joint venture comprises two integrated, operating assets – the Grande Côte mineral sands operation in Senegal, West Africa and the TiZir Titanium & Iron ilmenite upgrading facility in Tyssedal, Norway. In late March, following settlement of the Capital Raising, the Company extinguished the total debt balance owing to ERAMET.

Proceeds raised from the Capital Raising over and above the amount due to ERAMET (and Capital Raising transaction costs) have and will be made

available to TiZir, if required, to fulfil the Company's obligations with respect to the TiZir Committed Facility (**Committed Facility**). In this respect, the Company advanced US\$3.5 million in March 2017 to help 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 in September 2017 (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.

### 5.2 Why Shareholder approval is being sought

ASX Listing Rule 7.1 imposes a limit on the number of equity securities (including fully paid ordinary shares) that a company can issue or agree to issue without shareholder approval. Generally, a company may not, without shareholder approval, issue in any 12 month period a number of equity securities which is more than 15% of the number of fully paid ordinary shares on issue 12 months before the issue.

The Placement was issued within MDL's available placement capacity under ASX Listing Rule 7.1 and, as such, was conducted without Shareholder approval.

The number of equity securities that may be issued by a company under ASX Listing Rule 7.1 without shareholder approval is not impacted by equity securities which are issued under an exception contained in ASX Listing Rule 7.2 or which have received shareholder approval.

ASX Listing Rule 7.4 has the effect that an issue by the Company of shares made without Shareholder approval under ASX Listing Rule 7.1 is treated as having been made with approval, if the issue did not breach ASX Listing Rule 7.1 when made and Shareholders subsequently ratify the previous issue of shares.

The approval of Shareholders is now sought so that the Company's ability to issue 15% of its equity securities in a 12 month period is not reduced by the 15,551,451 Placement Shares already issued and to provide the Company with the maximum flexibility to undertake equity raisings without the need for further Shareholder approval (should an equity raising be required). The requirement to obtain Shareholder approval for an issue, at the time of issue, could limit the Company's ability to take advantage of opportunities that may arise to raise equity capital. It should be noted that, notwithstanding an approval by Shareholders of the proposed Resolution 4, any future equity raisings will remain subject to the 15% limit set out in ASX Listing Rule 7.1.

No decision has been made by the Directors to undertake any further issue of equity securities in the event that approval of Resolution 4 is received from Shareholders. The Directors will (in their absolute discretion) only decide to issue further equity securities if they consider it is in the best interests of the Company to do so. This may depend on, among other things, the capital position of the Company, relevant market conditions and MDL's obligations to TiZir.

ASX Listing Rule 7.5 requires the following information to be provided to Shareholders for the purpose of seeking approval under ASX Listing Rule 7.4:

- (a) Resolution 4 has been included so that Shareholders may, pursuant to ASX Listing Rule 7.4, approve and ratify the issue of a total of 15,551,451 Placement Shares;
- (b) the Placement Shares were issued at A\$0.42 per Share;
- (c) the Placement Shares issued rank equally in all respects with the Company's existing Shares;
- (d) the Placement Shares were issued to certain institutional Shareholders and other institutional, sophisticated and professional investors who are clients of Morgans Corporate Limited (underwriter and co-managers of the Placement) or Tamesis Partners LLP (co-managers of the Placement);
- (e) a voting exclusion statement is included in the Notice of AGM;
- (f) the proceeds raised by reason of the issue have and will be used to:
  - (i) repay outstanding debt to ERAMET (approximately US\$14.1 million);
  - (ii) advance US\$3.5 million to TiZir to help fund its obligations with respect to its senior secured corporate bonds;



- (iii) provide funding to TiZir, if required, to fulfil the Company's obligations with respect to the Committed Facility up to maturity of the senior secured corporate bonds in September 2017;
  - (iv) meet the costs of the Capital Raising; and
  - (v) fund the general working capital commitments of TiZir and MDL, should any balance remain;
- (g) the Company confirms that the issue of the Placement Shares under the Placement, at the relevant time, did not breach ASX Listing Rule 7.1.

Further details of the Placement and the Capital Raising are included in information lodged by the Company with ASX and available at [asx.com.au](http://asx.com.au).

### 5.3 Board recommendation

The Directors unanimously recommend that Shareholders eligible to do so vote in favour of Resolution 4. All of the Directors entitled to vote on Resolution 4 intend to vote in favour of the Resolution.

## 6. Resolution 5 – Approval of amendment to MDL Performance Rights Plan and issue of securities under the Plan

### 6.1 Background

At the Company's annual general meeting on 20 May 2016, Shareholders approved the 2016 MDL Performance Rights Plan, pursuant to which nominated employees may be offered the opportunity to be granted performance rights (**Performance Rights**) to acquire Shares in the Company. Shareholders also approved the Company giving the benefits granted under the Plan to certain persons, and under contractual arrangements between certain persons and the Company, in connection with that person ceasing to hold a managerial or executive office where the benefit may be in excess of that person's annual base salary remuneration where termination is for reasons connected to an Accelerated Event (see Glossary).

As outlined in MDL's notice of annual general meeting dated 11 April 2016, the purpose of the Plan is to:

- enable the Company to recruit and retain talented people required to achieve the Company's business objectives;
- link the reward of key staff with the achievement of strategic goals and the long-term performance of the Company;
- align the financial interest of participants in the Plan with those of Shareholders; and
- provide incentives to participants of the Plan to focus on superior performance that creates Shareholder value.

The Plan is part of the Company's remuneration policy and provides a mechanism to achieve its corporate objectives and drive long-term performance for Shareholders while attracting and retaining high performing executives.

### 6.2 Plan amendments and required information

The amendments to the existing Plan are proposed to provide Directors of the Company with the flexibility to satisfy vested and exercised Performance Rights via the transfer of Shares (including Shares purchased by the Company on market) in addition to its existing ability to issue new Shares (**Amendment**). The Amendment is proposed as a result of Shareholder feedback received by the Company. It is proposed that all other terms of the existing Plan (excluding the Amendment referred to above) remain unchanged. A summary of the terms of the Plan (including the Amendment), is set out in section 6.3 of these Explanatory Notes.

Under the terms of the existing Plan, the Board may by written instrument amend or modify the rules of the Plan on the basis that the proposed amendments to the rules of the Plan do not materially reduce the rights or increase the obligations of any participant in respect of the participant's Performance Rights held at the date of the amendment.

The Company wishes to ensure that the issue of securities under the Plan (with the Amendment) will continue to have the benefit of the exception to the 15% limit under Listing Rule 7.1 [as provided under Listing Rule 7.2 Exception 9(b)]. At MDL's annual general meeting last year, Shareholders approved the issue of securities under the Plan for a period of three years as an exception to the 15% limit under Listing Rule 7.1. Shareholder approval is now sought for the purposes of ASX Listing Rule 7.2 Exception 9(b) to ensure that the Company's ability to issue 15% of its equity securities in a 12 month

period (in 2017 and 2018) is not reduced by securities issued under the Plan with the Amendment.

The following information is provided to Shareholders for the purpose of Listing Rule 7.2 Exception 9(b):

- prior to the Amendment (following Shareholder approval of the Plan at the Company's last annual general meeting held on 20 May 2016), 1,170,000 Performance Rights were issued under the Plan;
- a summary of the terms of the Plan is set out in section 6.3 of these Explanatory Notes; and
- a voting exclusion statement for Resolution 5 is set out in section 9.1 of these Explanatory Notes.

The Company proposes to grant, allot and issue up to 1,168,209 Performance Rights under the Plan in 2017 (including the proposed grant, allotment and issue of up to 499,234 Performance Rights to Mr Robert Sennitt for no monetary consideration in accordance with the terms and conditions of the Plan (see Resolution 6)). If this Resolution 5 is passed by Shareholders, the proposed grant, allotment and issue of up to 1,168,209 Performance Rights will not reduce the Company's ability to issue 15% of its equity securities in a 12 month period.

### 6.3 MDL Performance Rights Plan summary terms

A summary of the terms of the Plan, including the Amendment, is as follows:

- (a) **Offers** – The Board, in its absolute discretion, will annually consider the offer of Performance Rights to employees, officers or consultants of the Company (including Directors, subject to obtaining Shareholder approval) or its subsidiaries who are declared by the Board to be eligible to receive Performance Rights granted under the Plan.  
  
An offer to any proposed participant in the Plan must set out the number of Performance Rights being offered, the issue price, the expiry date for the exercise of Performance Rights, the exercise price (if any) payable on the exercise of the Performance Rights once they have vested, vesting conditions including vesting periods in respect of the Performance Rights offered and other similar terms.  
  
Unless the Board determines otherwise, no amount is payable on the grant of Performance Rights. The vesting of Performance Rights will be subject to certain criteria. Upon exercise of a vested Performance Right, the participant will be issued with or transferred a Share in the Company.
- (b) **Acceptance** – An eligible person who has received an offer of Performance Rights may only accept that offer in writing, and such acceptance must occur within 14 business days after receipt of the offer. The Company may in its absolute discretion extend or shorten the time for acceptance.
- (c) **Performance Rights and Shares** – A holder of Performance Rights issued under the Plan is bound by the Constitution of the Company, the Plan rules and the terms of the relevant offer letter.

Performance Rights offered under the Plan confer no right to participate in, and a participant is not entitled to participate in, any new issue of Shares to existing holders of Shares in the capital of the Company unless a Performance Right is exercised and the participant is registered as a holder of Shares, and then only to the extent that the registered holder of those Shares would otherwise be entitled to participate as a member of the Company.

Performance Rights will not be quoted on ASX or any other securities exchange unless otherwise determined by the Company.

Shares issued or transferred on the exercise of vested Performance Rights will rank equally, on and from their date of issue or transfer, in all respects with any Shares of the same class which are then on issue.

- (d) **Restrictions on hedging and dealing** – Participants must not enter into any schemes, arrangements or transactions, including hedging arrangements, that hedge or protect the value of Performance Rights allocated under the Plan or Shares which will be issued, transferred or allocated on exercise of Performance Rights.

A participant must not deal with any Performance Rights (including sell, offer for sale, transfer, assign or grant any encumbrance, right or obligation over the Performance Rights or any Shares issued or transferred on exercise of the Performance Rights) unless the dealing has the prior written consent of the Company, does not otherwise

contravene the Constitution, the Plan rules and the relevant offer letter and complies with the Securities Trading Policy of the Company.

- (e) **Vesting** – Performance Rights may be subject to vesting conditions (including service, performance, or share price conditions) as determined by the Board in its absolute discretion. Satisfaction of any such condition does not automatically trigger the exercise of the Performance Rights. The Company will provide a participant in the Plan with a confirmation notice when any performance condition applicable to that participant's Performance Rights has been satisfied.

Subject to the terms of the offer to a participant as set out in the offer letter, if a **Change of Control Event** occurs or in circumstances approved by Shareholders at the annual general meeting held 20 May 2016, the Plan participant is deemed by the Board to be a **Good Leaver** (see Glossary for further details), all vesting conditions in respect of the Performance Rights will be deemed to be satisfied and all unvested Performance Rights will automatically vest.

- (f) **Exercise** – In respect of Performance Rights which have vested, subject to compliance with the Company's Securities Trading Policy, the holder of those Performance Rights is entitled to exercise them by delivering to the Company a notice in writing stating the number of Performance Rights to be exercised together with full payment of the exercise price (if any) for the corresponding new Shares to be issued or transferred. The Company will then allot and issue that number of new Shares or transfer that number of existing Shares corresponding to the number of Performance Rights exercised in accordance with any Company adopted procedures regarding the timing of Share issues or transfers. If issued, all such Shares will, upon allotment, be credited as fully paid and rank equally with other issued Shares in the capital of the Company. Whilst the Company is listed on ASX, it must apply for quotation of those new Shares on ASX as soon as practicable after allotment.

No Performance Right may be exercised after it has expired.

- (g) **Expiry** – Unless otherwise determined by the Board, a Performance Right which has not been exercised under the Plan rules expires on the earlier of:

- the relevant expiry date applicable to the Performance Rights;
- five business days after the participant ceases to be engaged by the Company if determined to be a 'Bad Leaver' (as defined in the rules of the Plan);
- immediately on the Company suffering an insolvency event; and
- in a Change of Control Event the earlier of five business days after the occurrence of a Change of Control Event or if the Board determines that it expects a Change of Control Event to occur, the date determined by the Board.

- (h) **Reorganisation of capital** – In the event of any reorganisation of capital (other than a bonus issue or issue for cash), the terms of the Performance Rights granted will be adjusted in accordance with the Listing Rules.

The Company may make any decisions on adjustments or rounding of fractional entitlements of Performance Rights which it considers necessary or desirable in connection with any reorganisation of capital. Where any provision of the Plan or offer letter would result in the issue, transfer or allocation of a fractional number of Shares, the number is to be rounded down to the nearest whole number, unless expressly stated otherwise or determined by the Board.

- (i) **Bonus issue** – Unless the relevant offer letter states otherwise, if, prior to the exercise of Performance Rights, the Company makes a bonus issue to Shareholders, and the incentive is not exercised prior to the record date in respect of that bonus issue, the incentive will, when exercised, entitle the holder to one Share plus the number of bonus shares which would have been issued to the incentive holder if the incentive had been exercised prior to the record date.

- (j) **Rights of participants** – Except as expressly provided, the Plan does not confer any right to become a Plan participant or to continue as an employee, officer or contractor of the Company. All participation is voluntary and occasional and decisions with respect to future participation in the Plan will be at the sole discretion of the Board.

Participation in the Plan does not form part of the participant's remuneration for the purposes of determining payments in lieu of a

notice of termination, severance payments, leave entitlements, or any other compensation payable to a participant upon cessation. Participants will have no entitlement to compensation or damages as a result of any loss or diminution in value of Shares or any other rights acquired pursuant to the Plan.

- (k) **Clawback** – If a participant was deemed to be a Good Leaver and it is subsequently discovered the participant was not a Good Leaver or a vesting condition had been determined to be satisfied when it was not, in fact, satisfied, then the Board may determine that all or some of the Performance Rights held by the participant expire and are incapable of being exercised and/or the participant must immediately on request by the Company transfer any or all Shares issued or transferred upon the exercise of a Performance Right, as determined by the Board, on terms, and to a person, determined by the Company (which may include transferring them for nil consideration) and/or pay the Company any proceeds received from the sale of any Shares issued or transferred upon the exercise of the Performance Rights and any distributions or dividends paid on Shares issued or transferred upon the exercise of Performance Rights, as a debt due to the Company.
- (l) **Administration** – The Plan will be administered by the Board in accordance with the Plan rules. The Company may make further provisions for the operation of the Plan which are consistent with the Plan rules. Whilst the Company is listed on ASX, the Board must exercise its powers in accordance with the Listing Rules.
- (m) **Suspension, termination and amendment** – The Plan may be suspended, terminated or amended at any time by the Board, subject to any resolution of the Company required by the Listing Rules of ASX. No amendment of the provisions may materially reduce the rights or increase the obligations of the participant and suspensions and/or termination of the Plan must not prejudice the existing rights of participants except as permitted by the Plan rules.

#### 6.4 Board recommendation

The Directors (other than Mr Sennitt, who has an interest in Resolution 5 and therefore makes no recommendation) recommend that you vote in favour of Resolution 5.

## 7. Resolution 6 – Grant of Performance Rights to Mr Robert Sennitt as a long-term incentive

### 7.1 Background

The Board recognises the importance of including a variable remuneration component in an executive's remuneration package that is only paid on the achievement of key objectives that the Board considers will deliver increased Shareholder value.

Issued under the Plan, the provision of Performance Rights (being a right to receive a number of fully paid ordinary shares in the Company) for no monetary consideration to eligible executives subject to performance hurdles being satisfied comprises the equity component of the 'at risk'/'reward' opportunity for the 2017 year. Non-executive Directors will not participate in the Plan for the 2017 year. Further information on the remuneration of executives and non-executive Directors is set out in the Remuneration Report which forms part of the directors' report in the 2016 annual report of the Company.

Resolution 6 seeks, for the purposes of Rule 10.14 of the Listing Rules of ASX Limited and for all other purposes, approval for the grant, issue and allotment of Performance Rights to acquire Shares on exercise for no monetary consideration (subject to the satisfaction of performance hurdles) as a long-term incentive to the Company's Managing Director Mr Robert Sennitt. Subject to Shareholder approval, it is proposed to grant 499,234 Performance Rights to Mr Sennitt on terms and conditions summarised in these Explanatory Notes.

### 7.2 Proposed grant of Performance Rights and vesting conditions

Based on the details of the Company's remuneration policy set by the Board, Mr Sennitt's total potential remuneration structure includes a 25% at-risk component provided by long-term incentives. The purpose of the long term incentive is to provide Mr Sennitt with an appropriate incentive which is 'at risk' and aligned to the Company's long-term strategic plans and business objectives aimed at increased Shareholder return.

The Board approved performance hurdles attaching to the Performance Rights are comprised as follows:

- **Absolute Total Shareholder Return** – Fifty percent of the Performance Rights (249,617 Performance Rights) will be subject to an absolute total shareholder return (TSR) hurdle over the three year performance period (being 1 February 2017 to 31 January 2020). Absolute TSR rights will vest according to the following schedule:

Measure	Performance level to be achieved	Performance vesting outcome	Percentage of total grant that will vest	Maximum percentage of total grant
Absolute TSR	Above 25% CAGR	100%	50%	50%
	Above 15% CAGR & up to 25% CAGR	Pro rata from 50%-100%	Between 25% & 50%	50%
	At 15% CAGR	50%	25%	25%
	Less than 15% CAGR	0%	0%	0%

CAGR = Compound annual growth rate

Vesting will occur on a proportionate straight-line basis from 50% to 100% for performance between 15% CAGR and 25% CAGR.

- **Relative Total Shareholder Return** – Fifty percent of the Performance Rights (249,617 Performance Rights) will be subject to a relative TSR hurdle over the three year performance period (being 1 February 2017 to 31 January 2020). Relative TSR rights will vest according to the following schedule:

Measure	Performance level to be achieved	Performance vesting outcome	Percentage of total grant that will vest	Maximum percentage of total grant
Relative TSR	75P or above	100%	50%	50%
	Between 50P & 75P	Pro rata from 50%-100%	Between 25% & 50%	50%
	At 50P	50%	25%	25%
	Below 50P	0%	0%	0%

P = Percentile

Vesting will occur on a proportionate straight-line basis from 50% to 100% where the TSR performance is between 50% and 75% of the comparator group. The comparator group is the S&P/ASX Resources 300 Index. The comparator group is intended to reflect any competitors, companies and sectors where investors may choose to invest their money if not in MDL with particular regard to those companies of similar industry and market capitalisation.

In its absolute discretion, the Board may determine that no relative TSR Performance Rights will vest if the Company's TSR performance is negative.

For the purposes of calculating the absolute and relative TSR performance over the duration of the performance period, the Board has determined that the price for MDL Shares will be calculated on the basis of the 20 day VWAP preceding 1 February 2017 (A\$0.501 as at 1 February 2017).

Except as detailed below, no testing or vesting of these Performance Rights will occur before the last day of the performance period, being 31 January 2020. There will be no entitlement to the Performance Rights for which performance criteria have not been met at the end of the performance period and no MDL Shares will be provided in respect of those lapsed rights.

The **vesting date** of the Performance Rights will be the earliest to occur of:

- 31 January 2020, being three years from the date the Board agreed, subject to Shareholder approval, to grant the Performance Rights to Mr Sennitt (subject to the satisfaction of performance hurdles outlined above);
- the date of a Change of Control Event of the Company whereby if the Change of Control Event occurs during the vesting period, the amount of rights that will vest will be calculated in accordance with the following schedule:

Measure	Performance level to be achieved	Performance vesting outcome	Percentage of total grant that will vest
Absolute TSR	Above 25% CAGR	100%	100%
	Above 15% CAGR & up to 25% CAGR	Pro rata from 50%-100%	Between 50% & 100%
	At 15% CAGR	50%	50%
	Less than 15% CAGR	0%	0%

Vesting will occur on a proportionate straight-line basis from 50% to 100% for performance between 15% CAGR and 25% CAGR. For the purposes of calculating the CAGR over the duration of the relevant performance period, being, in these circumstances, from 1 February 2017 to the determined Change of Control Event date:

- the Board has determined that the price for MDL Shares as at 1 February 2017 is A\$0.501 (calculated on the basis of the 20 day VWAP preceding 1 February 2017); and
- the price for MDL Shares as at the determined Change of Control Event date will be the price per MDL Share (as applicable) approved by MDL Shareholders, or paid by the acquirer of the MDL Shares obtaining the relevant control, the subject of the Change of Control Event.

In these circumstances, the vested Performance Rights expire on the earlier of:

- five business days after the occurrence of a Change of Control Event; and
- if the Board determines that it expects a Change of Control Event to occur, the date determined by the Board (in which case the Company must give the participant notice that the Board has determined the Performance Rights will expire in these circumstances at least five business days prior to the determined date for expiry, per the relevant Plan rules).

In these circumstances regarding a Change of Control Event, the opportunity for the Performance Rights to vest may be taken away from the participants. For this reason, the Board considers that the above Change of Control Event provisions provide an appropriate outcome on the basis that the Change of Control Event would likely have been approved or sufficiently supported by Shareholders;

- the date where employment ceases in circumstances where the participant is a Good Leaver as defined in the Plan. Good Leaver arises where the participant ceases employment:
  - because of death (except for death which arises as a result of the participant's criminal act or intentional self-harm); or
  - because of sickness, disability or incapacity (other than sickness, disability or incapacity which arises as a result of the participant's criminal act or intentional self-harm) which renders the participant incapable of continued full time employment in his or her current position with any MDL group company; or
  - because of redundancy or where employment terminates due to the expiry of his/her fixed contractual term; or
  - because the MDL group company by which he or she is employed ceases to be a MDL group company; or
  - because the business or part of any business of any MDL group company by which he or she is employed is transferred to a person other than any MDL group company and the participant transfers his or her employment to that other person with the consent of the Company; or
  - otherwise in circumstances where the Board agrees that the participant is to be treated as a Good Leaver for the purposes of the Plan.

In these circumstances a proportion of the retained Performance Rights will vest, with such proportion being equal to the number of days which have elapsed from 1 February 2017, being the commencement date of the performance period in respect of the Performance Rights, until the date of cessation of employment as a proportion of the total number of days in the relevant three year performance period. For example, if cessation of employment occurs at a time when 18 months of a three



year performance period have elapsed, 50% of the Performance Rights will vest.

- Where a participant is a 'Bad Leaver' as defined in the Plan:
  - all unvested Performance Rights held by that participant will immediately lapse;
  - all vested Performance Rights will expire within five business days after the participant ceases to be employed.

With the exception of Performance Rights that vest due to a Change of Control Event and unless otherwise determined by the Board, vested Performance Rights will expire two years after the date of vesting. Rights that vest due to a Change of Control Event will expire in accordance with the Plan rules.

No exercise price is payable in respect of the exercise of any Performance Rights referred to above which have vested.

### 7.3 Information required by ASX Listing Rule 10.15A

In accordance with the requirements of Listing Rule 10.15A, the following information is provided to Shareholders in respect of Resolution 6 to allow them to assess the proposed grant of Performance Rights to Mr Sennitt, the managing director of the Company:

- The maximum number of Performance Rights to be granted to Mr Sennitt is 499,234.
- There is no monetary consideration payable by Mr Sennitt in respect of the proposed grant of Performance Rights pursuant to the offer made.
- 500,000 Performance Rights have previously been granted and issued to Mr Sennitt for no monetary consideration under the Plan approved by Shareholders at MDL's annual general meeting held on 20 May 2016.
- In accordance with the Company's current remuneration policy, the executive Directors of the Company (being Mr Ackland and Mr Sennitt) are the only persons referred to in Listing Rule 10.14 who are entitled to participate in the Plan. The current proposed participant Director is the managing director, Mr Sennitt. Long-standing executive Director Mr Ackland will transition to non-executive status during the year and will not participate in the Plan in 2017. All other eligible employees of the Company entitled to participate in the Plan are not Directors of the Company, or associates of Directors of the Company, however, details of the participants, the number of Performance Rights that will be allocated under the Plan in 2017, and the performance conditions of the Performance Rights are provided in Appendix 1 accompanying this Notice of AGM.
- A voting exclusion statement is included in the Notice of AGM of which these Explanatory Notes form part (please see section 9.1).
- No loans exist in relation to the proposed grant of Performance Rights to Mr Sennitt.
- Mr Sennitt is prohibited from hedging the share price exposure in respect of the Performance Rights during the performance period applicable to those Performance Rights.
- Details of any Performance Rights granted under the Plan will be published in each annual report of the Company relating to the relevant period in which the Performance Rights were granted, and that approval for the grant of the Performance Rights was obtained under Listing Rule 10.14.
- Any additional persons referred to in Listing Rule 10.14 who become entitled to participate in the Plan after Resolution 6 is approved and who were not named in the Notice of AGM will not participate in the Plan until approval is obtained under ASX Listing Rule 10.14.
- The date by which the Company will grant to Mr Sennitt the Performance Rights referred to above must be no later than three years after the date of the AGM at which Resolution 6 is approved. The Company will comply with this requirement.

Mr Sennitt's details are set out below:

Appointed by the Board as managing director in April 2016, Mr Sennitt joined MDL in late-January 2015 in the position of business development manager and was appointed chief executive officer of the Company on 1 June 2015. Mr Sennitt brings with him almost 25 years' experience in investment banking where he spent most of that time advising companies in the natural resources sector on financial and strategic initiatives. Prior to joining MDL, he was a managing director at RBC Capital Markets, an executive director at Macquarie Capital and he also worked with J.P. Morgan in Australia.

Mr Sennitt is responsible for managing the day to day business of the Company, both corporate and operational; preparing and implementing the Company's annual strategic plan; maintaining relations with joint venture partners, investors, analysts, brokers and advisors; identifying and managing material business risks; ensuring appropriate resource deployment; and evaluating new business opportunities.

In fulfilling his duties, Mr Sennitt performs an active role in the management of the TiZir joint venture. In addition to serving on the Board of TiZir, Mr Sennitt is also chairman of the TiZir finance committee and the GCO executive committee where he has significant involvement in delivering the projects assigned to these committees.

### 7.4 Board recommendation

The Directors (other than Mr Sennitt, who has an interest in Resolution 6 and therefore makes no recommendation) recommend that you vote in favour of Resolution 6.

## 8. Resolution 7 – Adoption of new Constitution

### 8.1 Background

Pursuant to sections 136(1) and 136(2) of the Corporations Act, if a company wishes to repeal its existing constitution and adopt a replacement constitution, it must pass a special resolution repealing the existing constitution and adopting the replacement constitution. Pursuant to section 136(5) of the Corporations Act, such a company must lodge a copy of the special resolution and the replacement constitution with the Australian Securities and Investments Commission within 14 days of the relevant general meeting. Pursuant to section 137 of the Corporations Act, the repeal and adoption will take effect on the date of the relevant general meeting.

The Company's existing Constitution was last adopted in May 2013. Since that time, there have been a number of developments in law (both the Corporations Act and the ASX Listing Rules), corporate governance principles and general corporate and commercial practice for ASX listed companies and accordingly, the Company's existing Constitution requires updating. The Board has determined that it is more appropriate to adopt a new Constitution, which reflects these changes, rather than make each of the necessary amendments to the existing Constitution.

In general, the proposed Constitution will provide the Company with greater flexibility with administrative matters while retaining most of the protections and rights afforded to Shareholders under the existing Constitution.

A summary of the significant changes to the existing Constitution which will result from the adoption of the new Constitution are described below:

### 8.2 Proportional takeover provisions

Clause 25 of the existing Constitution contained proportional takeover provisions approved by Shareholders at the annual general meeting in 2013. Clause 25.8 provided that the clause would automatically cease to have effect if not renewed within three years after its adoption or last renewal and since this has not been the case, the proportional takeover provisions lapsed. The Company is now seeking Shareholder approval to reinstate these provisions in the Constitution. The proposed new Constitution includes the proportional takeover provisions in clause 26.

Under the Corporations Act, a company is empowered to include in its constitution a provision to enable the company to refuse to register shares acquired under a proportional takeover bid unless a resolution is approved by shareholders in general meeting approving that proportional takeover bid.

In the Directors' view, it is now appropriate to consider insertion of a clause with equivalent effect to the recently lapsed clause 25 in the Company's Constitution.

Resolution 7 is a special resolution which means that a vote to pass this Resolution requires a minimum 75% majority of the votes cast by Shareholders entitled to vote on this Resolution.

If Resolution 7 is passed, then for 21 days after this AGM, Shareholders holding 10% or more of the Company's issued capital would have the right to apply to a court to have this purported change to the Constitution set aside.

The court may set aside this purported change to the Constitution if the court is satisfied in all the circumstances that it is appropriate to do so.

The Corporations Act requires certain information to be included in a notice of meeting where the approval of Shareholders is sought to insert proportional takeover provisions. That information is set out below:

#### **What is a proportional takeover bid?**

A proportional takeover bid is an off-market takeover offer sent to all Shareholders but only in respect of a specified proportion of each Shareholder's Shares in the Company (i.e. less than 100%). Accordingly, if a Shareholder accepts in full the offer under a proportional takeover bid, the Shareholder will dispose of the specified proportion of the Shareholder's shares in the Company and retain the balance of Shares.

#### **Effect of the proposed proportional takeover provisions**

The effect of the proposed new clause 26 is that if a proportional takeover bid is made to Shareholders, the Directors are obliged to convene a meeting of Shareholders to be held at least 15 days before the relevant bid offer closes. The purpose of that meeting is to vote upon a resolution to approve the proportional takeover bid. For the resolution to be approved, it must be passed by a simple majority of votes at the meeting, excluding votes of the bidder and its associates. Only those Shareholders who held bid class securities, as at the end of the day on which the first offer under the bid was made, are entitled to vote.

If no such resolution is voted on within the required timeframe, the resolution is deemed to have been approved. This, in effect, means that Shareholders as a body may only prohibit a proportional takeover bid by rejecting such a resolution.

If the resolution is approved or deemed to have been approved, transfers of Shares under the proportional takeover bid (provided they are in all other respects in order for registration) must be registered.

If the resolution is rejected, registration of any transfer of Shares resulting from that proportional takeover bid are prohibited and the offer is deemed by the Corporations Act to have been withdrawn.

The proposed new clause 26 will expire three years after its adoption unless renewed by a further special resolution of Shareholders.

A proportional takeover provision does not apply to full takeover bids.

#### **Reasons for proposing this Resolution**

The Directors consider that Shareholders should have the opportunity to vote on a proposed proportional takeover bid. A proportional takeover bid may result in effective control of the Company changing hands without Shareholders having the opportunity of disposing of all their Shares. Shareholders could be at risk of passing control to the bidder without payment of an adequate control premium for all their Shares whilst leaving themselves as part of a minority interest in the Company.

The proposed new clause 26 can prevent this occurring by giving Shareholders the opportunity to decide whether a proportional takeover bid is acceptable and should be permitted to proceed.

To assess the merits of the proposed new clause 26, Shareholders should make a judgement as to what events are likely to occur to the Company during the proposed three year life of proposed new clause 26.

#### **No presently proposed acquisitions**

As at the date of this notice of meeting, no Director of the Company is aware of any proposal by any person to acquire or increase the extent of a substantial interest in the Company.

#### **Potential advantages and disadvantages for Directors and Shareholders**

The Directors consider that it is a potential advantage to all Shareholders that they have the opportunity to consider and vote upon whether any proposed proportional takeover bid should proceed. For a proportional takeover bid to be approved, it must be approved by more than half of the shares voted at the meeting, excluding the Shares of the bidder and its associates, and accordingly the existence of the proposed provisions is likely to cause an intending bidder to formulate its offer in a way that would be attractive to a majority of Shareholders. It may also have the effect of

not allowing control of the Company to pass without payment of a control premium and may assist Shareholders from being locked in as a minority.

The Directors of the Company consider that the proposed proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether or not an offer under a proportional takeover bid should be accepted.

As to the possible disadvantages of the proposed new clause 26, it may be perceived by some Shareholders that its presence makes a proportional takeover bid less likely to succeed and that therefore the chances of receiving an opportunity to dispose of part of their Shares, possibly at a premium, would be reduced because potential bidders may be discouraged from making a proportional takeover bid. This may be thought to potentially remove or reduce any speculative element of the market price of the Company's Shares arising from the possibility of a proportional takeover bid. Some Shareholders may consider the presence of the new clause 26, if approved, to be an additional restriction on the ability of individual Shareholders to deal freely with their Shares.

The Directors of the Company do not believe the potential disadvantages outweigh the potential advantages of inserting the proposed proportional takeover provisions.

Other than as set out above, the Directors do not consider there to have been any other advantages or disadvantages for the Directors or Shareholders whilst the proportional takeover provisions were effective as part of the Company's Constitution from the date of the Company's 2013 annual general meeting and until the date of the Company's 2016 annual general meeting.

#### **8.3 Variation of class rights**

Clause 10.2 of the existing Constitution provides that a quorum for a class of members holding shares in that class is two persons holding or representing by proxy, attorney or representative not less than one-third of the shares of the class. Clause 10.2 [proposed new clause 11.2] provides that the quorum of two persons referred to above must hold not less than 25% of the shares of the class.

#### **8.4 Non-marketable parcels**

Clause 11 of the existing Constitution provides a procedure (**Procedure**) which enables the Directors to divest the Shares held by a member who holds less than a marketable parcel of Shares (as defined in the Constitution), subject to various conditions. Clause 11 [proposed new clause 12] has been amended to include an ability by the Directors to initiate such a Procedure for the divestment of Shares where the member's holding of a non-marketable parcel of Shares was created by a transfer of a parcel of Shares that was less than a marketable parcel at the time that the transfer was initiated (or in the case of a paper-based transfer, the transfer document was lodged with the Company). Clause 11 [proposed new clause 12] has also been amended to clarify that the Procedure may not be effected during the offer period of a takeover bid for the Company.

#### **8.5 Lien and forfeiture**

Clause 18 of the existing Constitution provides that the Directors may declare Shares to be wholly or partly exempt from a lien. Clause 18 [proposed new clause 19] has been amended to also provide that the Directors may waive or compromise all or part of any payment due to the Company.

#### **8.6 General meetings**

It is proposed that the Constitution be amended to include a provision that a member's attendance at a general meeting waives any objection the member may have to:

- (i) a failure to give notice of the meeting (or the giving of a defective notice) unless the member at the beginning of the meeting objects to the holding of the meeting; or
- (ii) the consideration of a particular matter at the meeting which is not within the business referred to in the notice of meeting unless the member objects to considering the matter when it is presented,

(see proposed new clause 35.5).

## 8.7 Quorum at general meetings

Clause 36.2 of the existing Constitution provides that a quorum of members for a general meeting is two members. It is proposed that the Constitution be amended so that a quorum of members for a general meeting is five members (unless there are less than an aggregate of five members in the Company as at the date of the general meeting, in which event a quorum is those members) (see proposed new clause 37.2).

## 8.8 General conduct, postponement and adjournment of and admission to general meetings

It is proposed that the existing Constitution be amended to provide the chairperson of a meeting with additional powers for the proper and orderly conduct of meetings (for example, imposing limits on the time that a person may speak on each motion or other item of business, terminating debate or discussion of business, question, motion or resolution to be put to a vote by members, postponing a meeting because there is not enough room for members who wish to attend the meeting or in light of behaviour of persons present at the meeting or refusing to admit or require a person who behaves (or threatens to behave) in a dangerous, offensive or disruptive way to leave the meeting (see proposed new clauses 39, 40 and 44)).

## 8.9 Direct votes

Clause 50 of the existing Constitution provides a general power for the Directors to determine that Shareholders are permitted to submit a direct vote (as defined in the existing Constitution) at any general meeting or class meeting. Proposed new clause 51 sets out the procedures applicable to the use of such direct votes.

## 8.10 Retirement of Directors

Clause 61 of the existing Constitution provides for the retirement by rotation of one-third of Directors at each annual general meeting. Proposed new clause 62 has been amended to reflect the current requirements set out in the ASX Listing Rules and the Corporations Act with respect to retirement of Directors. Specifically, no Director (excluding the managing director) may hold office for a continuous period in excess of three years or until the third annual general meeting following the Director's appointment or election, whichever is the longer, without submitting for re-election. If no such Director would be required to submit for re-election but the ASX Listing Rules requires an election of Directors to be held, the Director to retire will be the Director who has been longest in office since his or her last election.

## 8.11 Remuneration of non-executive Directors

Clause 64 of the existing Constitution deals with the remuneration of non-executive Directors and sets an aggregate monetary limit for the remuneration paid to non-executive Directors (which is currently \$750,000 per annum) (Limit). This clause has been amended to clarify that:

- (i) any payment(s) of remuneration to a non-executive Director to perform services for the Company which in the opinion of the Directors is outside of the scope of ordinary duties of a non-executive Director; and
- (ii) the value of shares, securities or other financial products issued by the Company to non-executive Directors as part of their remuneration (and as approved by Shareholders under Listing Rules 10.11 and 10.14), are not counted towards or included in the Limit, (see proposed new clause 65).

## 8.12 Board recommendation

The Directors unanimously recommend that you vote in favour of Resolution 7. All of the Directors entitled to vote on Resolution 7 intend to vote in favour of the Resolution.

A copy of the Company's existing Constitution and proposed new Constitution are available from the Company's website at [mineraldeposits.com.au](http://mineraldeposits.com.au).

## 9. Voting and Proxies

### 9.1 Voting Exclusion Statements

#### Resolution 1

The Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Company's key management personnel (KMP), details of whose remuneration are included in the Remuneration Report; or a closely

related party of a KMP whether the votes are cast as a Shareholder, proxy or in any other capacity.

However, the Company will not disregard a vote cast by a member of the KMP (KMP member) or a closely related party of a KMP member if:

- (i) the vote is cast as a proxy; the proxy is appointed by writing that specifies how the proxy is to vote on Resolution 1; and the vote is not cast on behalf of a KMP member or a closely related party of a KMP member; or
- (ii) the vote is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

KMP members are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

If you are a KMP member or a closely related party of a KMP member (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as described above), you may commit an offence by breaching the voting restrictions that apply to you under the Corporations Act.

A closely related party of a KMP member means any of the following:

- a spouse or child of the KMP member;
- a child of the KMP member's spouse;
- a dependant of the KMP member or the KMP member's spouse;
- anyone else who is one of the KMP member's family and may be expected to influence the KMP member, or be influenced by the KMP member, in the KMP member's dealing with the Company;
- a company the KMP member controls; or
- a person prescribed by regulations (as at the date of this Notice of AGM, no such regulations have been prescribed).

The proxy form accompanying this Notice of AGM contains instructions regarding how to complete the proxy form if a Shareholder wishes to appoint the chairman as his or her proxy and to expressly authorise the chairman to vote on the Resolution to adopt the Remuneration Report. You should read those instructions carefully.

#### Resolution 4

The Company will disregard any votes cast on Resolution 4 by any person(s) who participated in the Placement and any associate of such person(s). However, the Company need not disregard any vote if it is cast by a person:

- as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form;
- chairing the AGM as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides; or
- otherwise permitted by ASX pursuant to a waiver granted to the Company in respect of the voting exclusions applicable to this Resolution. ASX has granted a waiver allowing MDL to limit the application of ASX Listing Rule 14.11 so that the votes of a Shareholder who participated in the Placement may be counted, only to the extent that the holder is acting solely in a fiduciary, nominee, trustee or custodial capacity on behalf of beneficiaries who did not participate in the Placement (the **Nominee Holder**), on the following conditions:
  - (i) the beneficiaries provide written confirmation to the Nominee Holder that they did not participate in the Placement, nor are they an associate of a person who participated in the Placement;
  - (ii) the beneficiaries direct the Nominee Holder to vote for or against Resolution 4; and
  - (iii) the Nominee Holder does not exercise discretion in casting a vote on behalf of the beneficiaries.

#### Resolutions 5 and 6

Pursuant to section 250BD of the Corporations Act, the Company will disregard any votes cast on either of Resolutions 5 and 6 by or on behalf of a KMP member or a closely related party of a KMP member where the votes are cast as a proxy.

However, the Company will not disregard a vote cast by a KMP member or a closely related party of a KMP member if it is cast as a proxy and either of (i) or (ii) below applies:

- (iii) the proxy is appointed by writing that specifies how the proxy is to vote on the Resolution proposed; or
- (iv) the proxy is the chairman of the meeting and the chairman's appointment expressly authorises the chairman to exercise the proxy even though the Resolution is connected with the remuneration of a KMP member.

If you are a KMP member (other than the chairman of the meeting acting as a proxy) or a closely related party of a KMP member (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as indicated above), you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

KMP members and their closely related parties are as described above in the voting restrictions statement for Resolution 1.

Pursuant to Listing Rule 14.11, the Company will disregard any votes cast on Resolutions 5 and 6 by a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company (including the Plan)) and any associate of the Director.

However, the Company need not disregard a vote in respect of Resolutions 5 and 6 if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## 9.2 Voting

The Company has determined, in accordance with regulation 7.11.37 of the Corporations Act, that the Company's Shares quoted on ASX at 7.00pm (Melbourne time) on Tuesday, 2 May 2017 are taken, for the purposes of the AGM, to be held by the persons who held them at that time. Accordingly, only those persons are entitled to attend and vote (if not excluded) at the AGM.

## 9.3 Appointment of proxies

A form of proxy for use at the meeting is enclosed with this Notice of AGM.

A Shareholder submitting a proxy may appoint one proxy if the Shareholder is only entitled to one vote; or one or two proxies if the Shareholder is entitled to more than one vote. A proxy need not be a Shareholder. A proxy may be an individual or a body corporate. A Shareholder may appoint a proxy other than the person designated by default in the enclosed form of proxy by inserting the full name of the desired person in the blank space provided for that purpose on the form of proxy.

If a Shareholder appoints one proxy, that proxy may vote on a show of hands. If a Shareholder appoints two proxies, neither proxy may vote on a show of hands. Where the Shareholder appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not do so, each proxy may exercise one-half of the votes, and any fraction of votes will be disregarded.

A proxy will not be valid for the AGM unless it is signed by the Shareholder or the Shareholder's attorney duly authorised in writing or, if the Shareholder is a corporation, executed by a duly authorised officer or officers in accordance with the instructions on the enclosed form of proxy. The proxy to be acted upon and completed in accordance with the instructions on the form must be delivered, together with the power of attorney or other authority (if any) under which it is signed or authenticated (or a certified copy thereof) prior to 10.30am (Melbourne time) on Tuesday, 2 May 2017 by:

- Online: [www.investorvote.com.au](http://www.investorvote.com.au)
- Custodian voting – for Intermediary Online subscribers only:  
[www.intermediaryonline.com](http://www.intermediaryonline.com)  
Hand delivery to: Computershare Investor Services Pty Limited,  
Yarra Falls, 452 Johnston Street, Abbotsford, Victoria 3067, Australia
- Fax: C/- Computershare Investor Services Pty Limited  
1800 783 447 (within Australia), +61 3 9473 2555 (outside Australia)
- Post the addressed reply paid envelope enclosed  
(GPO Box 242, Melbourne Victoria 3001)

## 9.4 Revocation of proxies

A Shareholder executing and delivering a proxy has the power to revoke it. However, such revocation will not be effective unless an instrument in writing evidencing the revocation, and executed by the Shareholder or by his or her attorney authorised in writing, is received by the Company before the start or resumption of the meeting at which the proxy votes.

## 9.5 Voting of proxies

A proxy may decide whether to vote on any motion, except where the proxy is required by law or under the Company's Constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with that direction. If a proxy is not directed how to vote on an item of business, a proxy may vote as he or she thinks fit.

If a Shareholder appoints the chairman of the meeting as the Shareholder's proxy and does not specify how the chairman is to vote on an item of business, the chairman will vote, as proxy for that Shareholder, in favour of each Resolution on a show of hands or a poll, unless the chairman is prohibited from doing so under the Corporations Act.

The chairman of the AGM, the Directors of the Company and all other KMP members (being the chief operating officer, chief financial officer and company secretary) intend to vote all undirected proxies given to them by Shareholders (who are eligible to vote in favour of the Resolutions) **IN FAVOUR OF** the Resolutions to be voted on at the AGM, even though one or more of those Resolutions is or may be connected directly or indirectly with the remuneration of a member of the KMP and even though the chairman is a member of the KMP.

If you complete a proxy form that authorises the chairman of the AGM to vote on your behalf as a proxyholder, and you do not mark any of the boxes 'for' or 'against' or 'abstain' in respect of a Resolution so as to give the chairman directions about how your vote should be cast, your proxy will automatically be directed in favour of that Resolution and the chairman will vote accordingly. If you do not want to authorise the chairman to vote in favour of a Resolution, you should mark the appropriate box directing your proxy to vote against or abstain from voting on that Resolution.

## 9.6 Voting by corporate representative

Corporate Shareholders or proxies wishing to vote by corporate representative should obtain an appointment of corporate representative form from the share registry and complete and sign the form in accordance with the corporate Shareholder's constitution or by a duly authorised attorney.

The corporate representative form and the power of attorney or other authority (if any) under which it is signed (or a certified copy thereof) must be received by the Company before the start or resumption of the meeting at which the representative is to vote, by:

- fax to: Mineral Deposits Limited  
C/- Computershare Investor Services Pty Limited on:  
1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)
- post the addressed reply paid envelope enclosed  
(GPO Box 242, Melbourne Victoria 3001)
- hand delivery to: Mineral Deposits Limited  
C/- Computershare Investor Services Pty Limited,  
Yarra Falls, 452 Johnston Street, Abbotsford, Victoria 3067, Australia

If you require an additional proxy form, Computershare will supply it on request.



## GLOSSARY

In this Notice of AGM and Explanatory Notes, the following terms have the following meanings:

**Accelerated Event** an event which occurs when, in respect of the relevant Executive Officer, employment ceases due to any one of the following occurring:

- (a) death (except for death which arises as a result of the relevant person's criminal act or intentional self-harm);
  - (b) sickness, disability or incapacity (other than sickness, disability or incapacity which arises as a result of the participant's criminal act or intentional self-harm) which renders the participant incapable of full-time engagement in his or her current position with the Company (or a group company);
  - (c) redundancy or where the engagement of the participant terminates due to the expiry of his/her fixed contractual term;
  - (d) the group company by which he or she is engaged ceases to be a group company;
  - (e) the business or part of any business of any group company by which he or she is engaged is transferred to a person other than any group company and the participant transfers their engagement to that other person with the consent of the Company; or
  - (f) otherwise in circumstances where the Board agrees that the participant is to be treated as a Good Leaver for the purposes of the Plan
- (in each case, a **Good Leaver**).

In determining whether to exercise its discretion in a particular case in (f) above, the Board will take into account all relevant circumstances. Particular factors which the Board may consider relevant in an individual case may include the performance of the participant and the Company against applicable performance hurdles, as well as the participant's individual performance and the overall contribution they have made during their time with the Company and the time period lapsed since grant.

**Amendment** as defined in section 6.2 of the Explanatory Notes.

**Annual General Meeting** or **AGM** the annual general meeting of the Company scheduled to be held on Thursday, 4 May 2017.

**ASX** ASX Limited ABN 98 008 624 691 or, if the context requires, the financial market operated by it.

**Board** the board of directors of the Company.

**CAGR** means compound annual growth rate.

**Capital Raising** as defined in section 5.1 of the Explanatory Notes.

**Change of Control Event** occurs:

- (a) when a 'Takeover Bid' (as defined in the Corporations Act) is made for the Shares which has the sufficient support of Shareholders which results in the bidder acquiring a 'Relevant Interest' (as defined in the Corporations Act) in at least 50% of the Shares; or
- (b) with the support of the Board either:
  - (i) pursuant to an application made by the Company to the court under section 411 of the Corporations Act, the court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company and that resolution is passed by the requisite majorities; or
  - (ii) the Company passes a resolution for a selective capital reduction or other transaction is initiated,

which has a similar effect to a 'Takeover Bid' made for the Shares which will result in a person (and its 'Related Bodies Corporate' (as defined in the Corporations Act)) being registered as the holder of more than 50% of the Shares.

**Committed Facility** as defined in section 5.1 of the Explanatory Notes.

**Company** or **MDL** Mineral Deposits Limited ABN 19 064 377 420.

**Computershare** Computershare Investor Services Pty Ltd ABN 48 078 279 277.

**Constitution** the constitution of the Company.

**Corporations Act** the Corporations Act 2001 (Cth) of Australia.

**Director** a director of the Company from time to time.

**Entitlement Offer** as defined in section 5.1 of the Explanatory Notes.

**Executive Officer** an employee holding a managerial or executive office in the Company or a related body corporate.

**Explanatory Notes** the explanatory notes contained in this Notice of AGM.

**Good Leaver** as defined under the definition of Accelerated Event.

**KMP** the Company's key management personnel, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

**KMP member** a member of the KMP.

**Limit** as defined in section 8.11 of the Explanatory Notes.

**Listing Rules** the listing rules of ASX (as amended from time to time).

**Nominee Holder** as defined in section 9 of the Explanatory Notes.

**P** means percentile.

**Performance Rights** a right to acquire Shares under the MDL Performance Rights Plan described in section 6 of these Explanatory Notes.

**Placement** as defined in section 5.1 of the Explanatory Notes.

**Placement Shares** the shares issued under the Placement.

**Plan** MDL Performance Rights Plan (and as amended and described in section 6 of the Explanatory Notes).

**Procedure** as defined in section 8.4 of the Explanatory Notes.

**Proxy Form** a proxy form accompanying this Notice of AGM.

**Remuneration Report** the remuneration report of the Company included as part of the directors' report in the annual report.

**Resolution** a resolution referred to in the Notice of AGM.

**Share** a fully paid ordinary share in the capital of the Company.

**Shareholder** a person registered on the Company's share register as a member of the Company.

**Spill Meeting** as defined in section 3 of the Explanatory Notes.

**Spill Resolution** as defined in section 3 of the Explanatory Notes.

**TiZir** as defined in section 5.1 of the Explanatory Notes.

**Total Shareholder Return** or **TSR** is the return to a company's members over a period calculated by reference to share price appreciation as well as dividends and distributions on the relevant shares.

**Voting Exclusion Statement** the statements set out in section 9.1 of the Explanatory Notes.

**VWAP** means volume weighted average price.



## APPENDIX 1

### Long term incentive: 2017 cycle Performance Rights

#### Remuneration vehicle

- Performance Rights
- Performance Rights granted under the Plan will carry no dividend or voting rights

#### Purpose and guidance

- 'At risk'/'variable' remuneration
- Incentivise and provide competitive reward for continued service and achievement of long-term strategic/growth objectives aimed at increased Shareholder return
- Recruit and retain high performing employees

#### Grant structure

- Opportunity percentages relative to total fixed remuneration proposed for FY2017:

Employee	Maximum LTI Opportunity % of Total Fixed Remuneration
MD & CEO (Robert Sennitt)	50%
COO (Jozsef Patarica)	40%
CFO (Greg Bell)	40%
Company Secretary (Michaela Evans)	30%

- Number of Performance Rights based on maximum LTI opportunity:

Employee	Number of Performance Rights
MD & CEO (Robert Sennitt)	499,234
COO (Jozsef Patarica)	319,510
CFO (Greg Bell)	199,694
Company Secretary (Michaela Evans)	149,771

#### Performance conditions

##### Absolute Total Shareholder Return

50% of the Performance Rights will be subject to an absolute TSR hurdle over the three year performance period (being 1 February 2017 to 31 January 2020). Absolute TSR rights will vest according to the following schedule:

Measure	Performance level to be achieved	Performance vesting outcome	Percentage of total grant that will vest	Maximum percentage of total grant
Absolute TSR	Above 25% CAGR	100%	50%	50%
	Above 15% CAGR & up to 25% CAGR	Pro rata from 50%-100%	Between 25% & 50%	50%
	At 15% CAGR	50%	25%	25%
	Less than 15% CAGR	0%	0%	0%

Note that for the purposes of calculating the CAGR over the duration of the performance period, the Board has determined that the price for MDL Shares will be calculated on the basis of the 20 day VWAP preceding 1 February 2017 (A\$0.501 as at 1 February 2017).

Vesting will occur on a proportionate straight-line basis from 50% to 100% for performance between 15% CAGR and 25% CAGR.

##### Relative Total Shareholder Return

50% of the Performance Rights will be subject to a relative TSR hurdle over the three year performance period (being 1 February 2017 to 31 January 2020). Relative TSR rights will vest according to the following schedule:

Measure	Performance level to be achieved	Performance vesting outcome	Percentage of total grant that will vest	Maximum percentage of total grant
Relative TSR	75P or above	100%	50%	50%
	Between 50P & 75P	Pro rata from 50%-100%	Between 25% and 50%	50%
	At 50P	50%	25%	25%
	Below 50P	0%	0%	0%

Note that for the purposes of calculating the relative TSR performance over the duration of the performance period, the Board has determined that the price for MDL Shares will be calculated on the basis of the 20 day VWAP preceding 1 February 2017 (A\$0.501 as at 1 February 2017).

Vesting will occur on a proportionate straight-line basis from 50% to 100% where the TSR performance is between 50% and 75% of the comparator group. The comparator group is the S&P/ASX Resources 300 Index. The comparator group is intended to reflect any competitors, companies and sectors where investors may choose to invest their money if not in MDL with particular regard to those companies of similar industry and market capitalisation.

In its absolute discretion, the Board may determine that no relative TSR Performance Rights will vest if the Company's TSR performance is negative.

#### Terms and conditions

Terms and conditions are as stipulated in the participant's offer letter and the Plan rules (as amended per Resolution 5).



MINERAL DEPOSITS LIMITED  
ABN 19 064 377 420

MDL  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Lodge your vote:



**Online:**  
[www.investorvote.com.au](http://www.investorvote.com.au)



**By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

**For all enquiries call:**  
(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

## Proxy Form

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### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

### Your access information that you will need to vote:

Control Number: 9999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



**For your vote to be effective it must be received by 10:30am (Melbourne time) on Tuesday, 2 May 2017**

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the Company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form →**

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

☐

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

# Proxy Form

Please mark ☒ to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Mineral Deposits Limited hereby appoint

☐ the Chairman of the Meeting

 OR 

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Mineral Deposits Limited to be held at the office of MinterEllison, Level 23, 525 Collins Street, Melbourne, Victoria, Australia on Thursday, 4 May 2017 at 10:30am (Melbourne time) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related Resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 5 & 6 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 5 & 6 are connected directly or indirectly to the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 5 & 6 by marking the appropriate box in step 2 below.

## STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Nic Limb as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Dr Tom Whiting as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of issue of Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of amendment to MDL Performance Rights Plan and issue of securities under the Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Grant of Performance Rights to Mr Robert Sennitt as a long-term incentive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Adoption of new Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

/ /



MINERAL DEPOSITS LIMITED  
ABN 19 064 377 420

MDLRM

MR RETURN SAMPLE  
123 SAMPLE STREET  
SAMPLE SUBURB  
SAMPLETOWN VIC 3030

Dear Securityholder,

We have been trying to contact you in connection with your securityholding in Mineral Deposits Limited. Unfortunately, our correspondence has been returned to us marked "Unknown at the current address". For security reasons we have flagged this against your securityholding which will exclude you from future mailings, other than notices of meeting.

Please note if you have previously elected to receive a hard copy Annual Report (including the financial report, directors' report and auditor's report) the dispatch of that report to you has been suspended but will be resumed on receipt of instructions from you to do so.

We value you as a securityholder and request that you supply your current address so that we can keep you informed about our Company. Where the correspondence has been returned to us in error we request that you advise us of this so that we may correct our records.

You are requested to include the following:

- > Securityholder Reference Number (SRN);
- > ASX trading code;
- > Name of company in which security is held;
- > Old address; and
- > New address.

Please ensure that the notification is signed by all holders and forwarded to our Share Registry at:

Computershare Investor Services Pty Limited  
GPO Box 2975  
Melbourne Victoria 3001  
Australia

Note: If your holding is sponsored within the CHESS environment you need to advise your sponsoring participant (in most cases this would be your broker) of your change of address so that your records with CHESS are also updated.

Yours sincerely,

**Mineral Deposits Limited**