

MDL INVESTOR PRESENTATION

Results Presentation
March 2018



ASX: MDL



STATEMENTS

MDL OVERVIEW

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

FORWARD-LOOKING STATEMENTS

- Certain information contained in this presentation including any information on MDL's plans or future financial or operating performance and other statements that express management's expectations or estimates of future performance, constitute forward-looking statements. Such statements are based on a number of estimates and assumptions that, while considered reasonable by management at the time, are subject to significant business, economic and competitive uncertainties. MDL cautions that such statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of MDL to be materially different from the company's estimated future results, performance or achievements expressed or implied by those forward-looking statements. These factors include the inherent risks involved in mining, operation of mineral processing facilities, exploration and development of mineral properties, financing risks, changes in economic conditions, changes in the worldwide price of zircon, ilmenite and other key inputs, changes in the regulatory environment and other government actions, changes in mine plans and other factors, such as business and operational risk management, many of which are beyond the control of MDL.
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- Nothing in this presentation should be construed as either an offer to sell or a solicitation to buy or sell MDL securities.

2017 HIGHLIGHTS

A NUMBER OF KEY MILESTONES ACHIEVED IN 2017



MDL corporate

- Recapitalisation of balance sheet, outstanding debt cleared
- Closing cash balance of US\$12.6m

TiZir corporate

- Record EBITDA of US\$62.5m (2016: US\$24.1m)
- Refinancing of US\$275m TiZir senior secured bond, with US\$300m bond maturing in 2022
- Positive cash flow at GCO and TTI operations in 4Q 2017
- Joint venture management restructure



GCO

- Strong, consistent operations, improved runtime and recoveries
- Cash flow positive for six consecutive quarters
- Mine life extended from 2043 to 2050

TTI

- Successful production ramp up
- Improved furnace efficiency – lower power and coal costs

Progress in 2017 provides a strong platform to leverage improving operational performance and commodity prices

STRONG SHARE PRICE PERFORMANCE

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

MARKET SNAPSHOT

Share price (as at 5 March 2018)	A\$1.10
Shares on issue	~197m
Market capitalisation	~A\$217m
Net cash (Debt) (as at 31 December 2017)	~A\$16.2m
12 month share price range	A\$0.40 - A\$1.20

MAJOR SHAREHOLDERS¹

Allan Gray Australia	16.04%
Ellerston Capital	9.40%
L1 Capital	8.84%
Farjoy	7.82%
Morgan Stanley Australia Securities	7.72%
Tiga (Thorney Investments)	5.44%
CBA (Colonial First State)	5.07%
Top 20 Shareholders (as at 2 March 2018)	86.55%

MDL share price performance - 12 months



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

KEY FINANCIAL METRICS

SIGNIFICANT IMPROVEMENTS ON 2016 PERFORMANCE

TiZir (100% basis)	2017	2016	yoy
Production (kt)			
Heavy mineral concentrate (HMC)	724.8	613.7	18%
Zircon ¹	61.6	52.6	17%
Ilmenite	492.4	416.3	18%
Chloride slag	181.1	103.6	75%
High-purity pig iron (HPPI)	73.8	42.6	73%
Financials (US\$m)			
Revenue	224.6	160.6	40%
EBITDA	62.5	24.1	159%
Reported profit/(loss)	(32.3)	(63.8)	n/a
Operating cash flow	5.9	18.5	(68%)
Balance Sheet (US\$m)			
Net external debt ²	371.0	322.4	15%

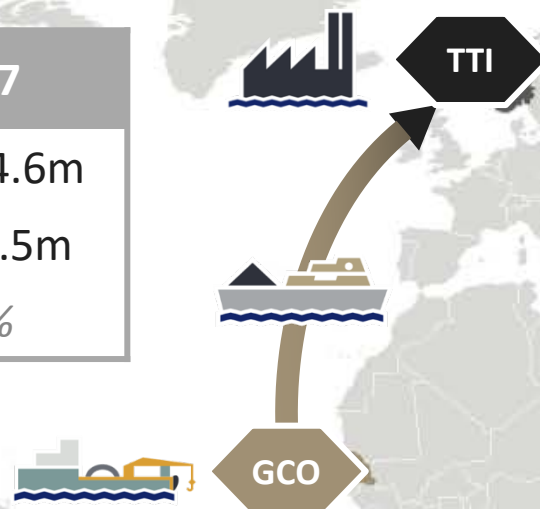
1. Excludes medium grade zircon sands production

2. Excludes shareholder loans

TIZIR OPERATIONS AND SOURCES OF REVENUE

TIZIR PRODUCES HIGH-GRADE TITANIUM FEEDSTOCKS AND PREMIUM QUALITY ZIRCON

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



REVENUE SOURCES¹

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

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

MINERAL SANDS MARKET UPDATE: HIGH-GRADE TITANIUM FEEDSTOCKS

TIGHTNESS IN PIGMENT SECTOR IMPACTING POSITIVELY ON PRICES

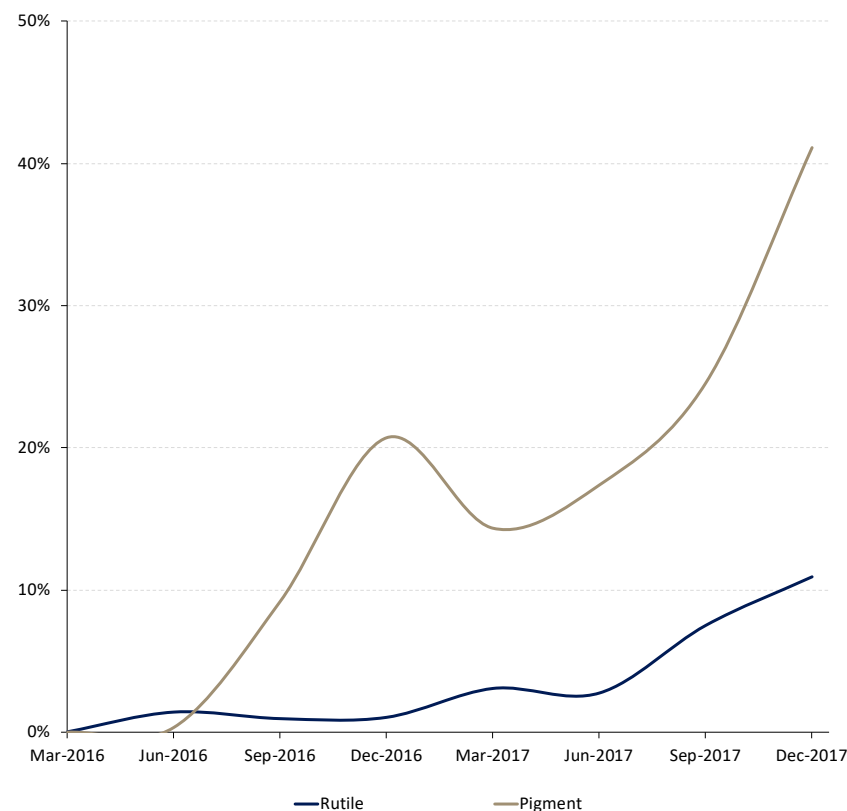
Pigment sector leading the way for feedstocks

- Improving global macroeconomic fundamentals driving demand growth for TiO₂ pigments
- Pigment supply/demand conditions are tight
 - supply chain inventories destocked and normalised
 - plant utilisation rates are increasing to meet demand and fulfil supply shortfalls from plant shutdowns
 - focus has shifted to securing high-grade feedstocks to optimise production yields
- Chinese production impacted by increased environmental focus
 - some existing sulphate plant capacity closed
 - signs that cleaner chloride technologies are being adopted

Demand for titanium feedstocks is heating up

- Previously idled capacity restarted
- Major producers face significant capex profile to maintain supply, new projects have weaker economics
- Rutile prices up ~10% in 2017, similar increases achieved in chloride slag prices

Rutile and Pigment market price¹



1. Source: internal assessment of industry estimates and trends.

MINERAL SANDS MARKET UPDATE: ZIRCON

FORECAST SUPPLY DEFICITS DRIVING STRONG PRICE RECOVERY

Zircon market reflecting tight conditions

- Improving economic fundamentals driving demand growth for 'quality of life' products
- Supply remains tight
 - supply shortages expected to grow over the coming 12-18 months
 - inventories largely depleted
 - key customers on 'rationed' volumes
- No significant new sources of supply forecast in the near-term
 - significant capex required to bring new projects online
- Prices over 20% higher than 2016 average prices
- Further reference price increases flagged by major producers up to US\$1,400/t in 2Q 2018



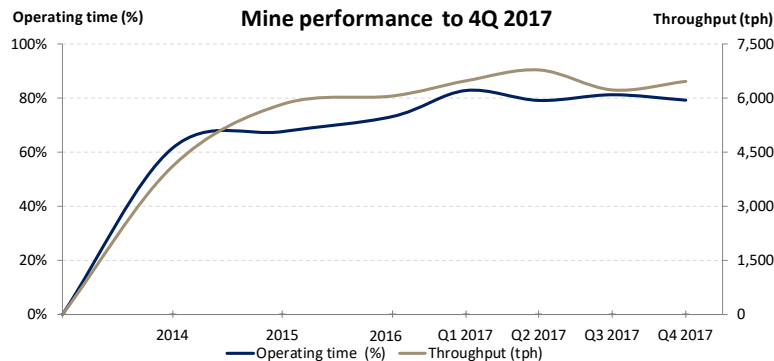
1. Source: internal assessment of industry estimates and trends.

REVIEW OF OPERATIONS

A TRANSFORMATIONAL YEAR FOR GCO AND TTI

GCO

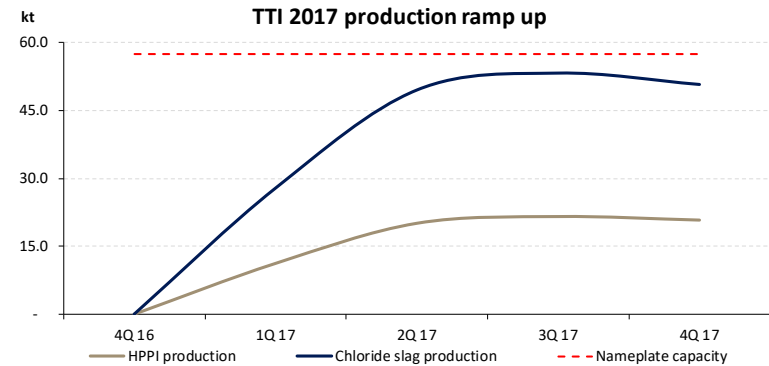
- GCO cash flow positive for six consecutive quarters
- Year-on-year production improvements



- Ongoing cost saving initiatives in effect
- Medium grade zircon sands (**MGZS**) product introduced to valorise off-spec non-magnetics
- No significant capital requirements anticipated
- Mine path optimised
- Mine life extended to 2050

TTI

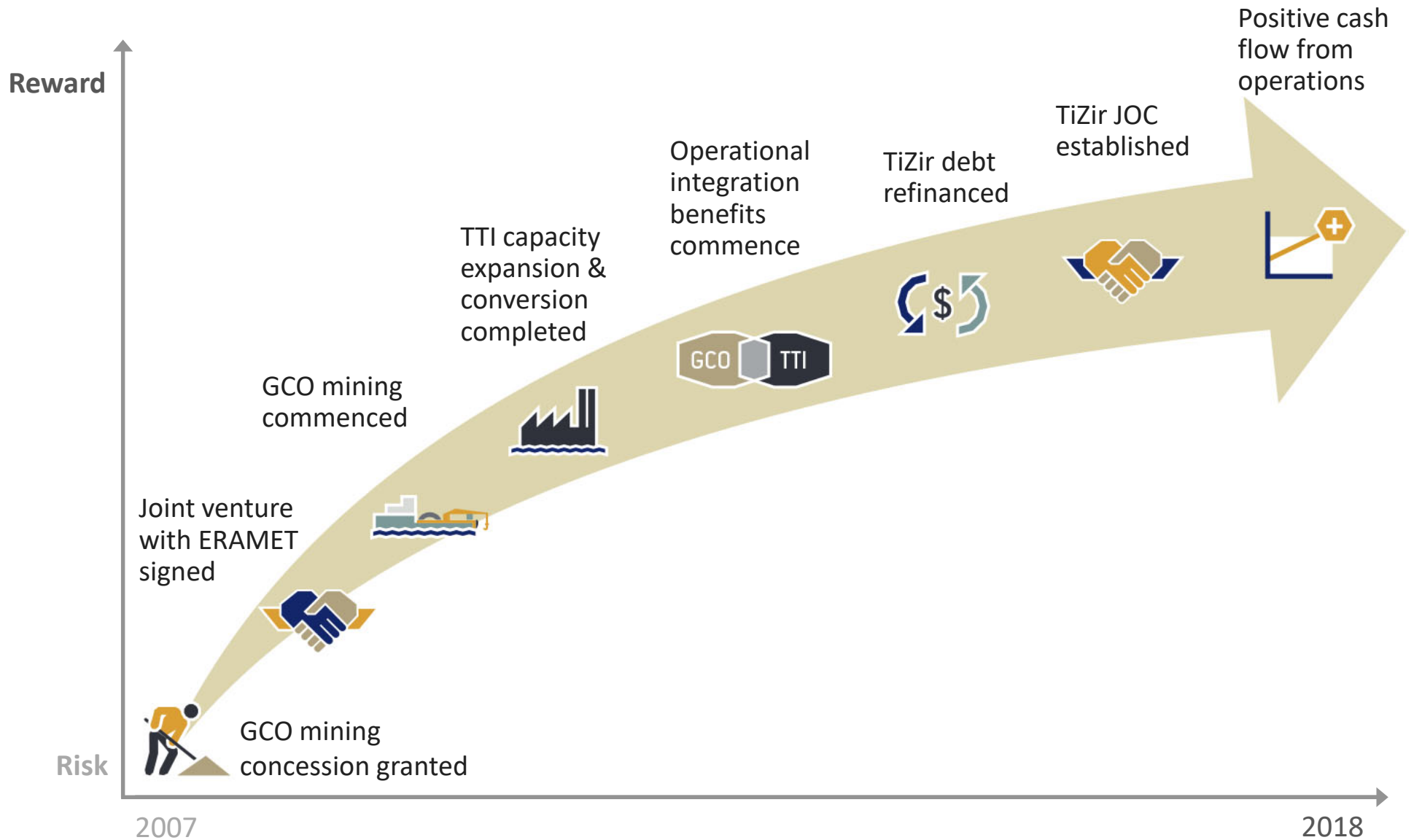
- Ramp up to expanded furnace capacity in-line with expectations, WIP inventory replenished



- Operations cash flow positive in 4Q 2017
- Significant production efficiencies achieved post furnace reline and repairs – lower power and coal consumption
- Valuable pig iron credits generate resilient margins
- 2018 production will be impacted by pre-reduction kiln outage

TIZIR DE-RISKING

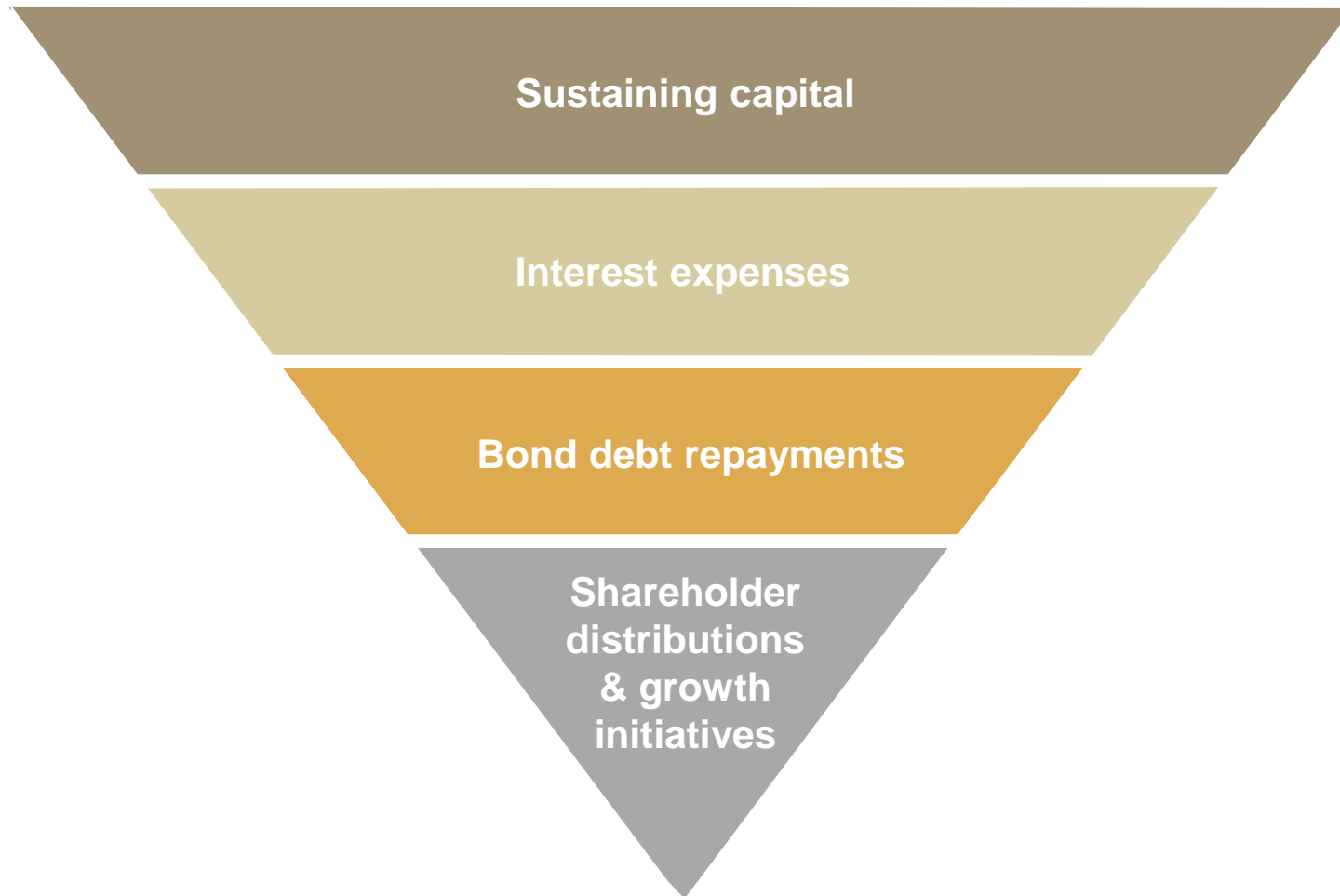
ONGOING ACHIEVEMENT OF SIGNIFICANT MILESTONES



CAPITAL ALLOCATION PRIORITIES

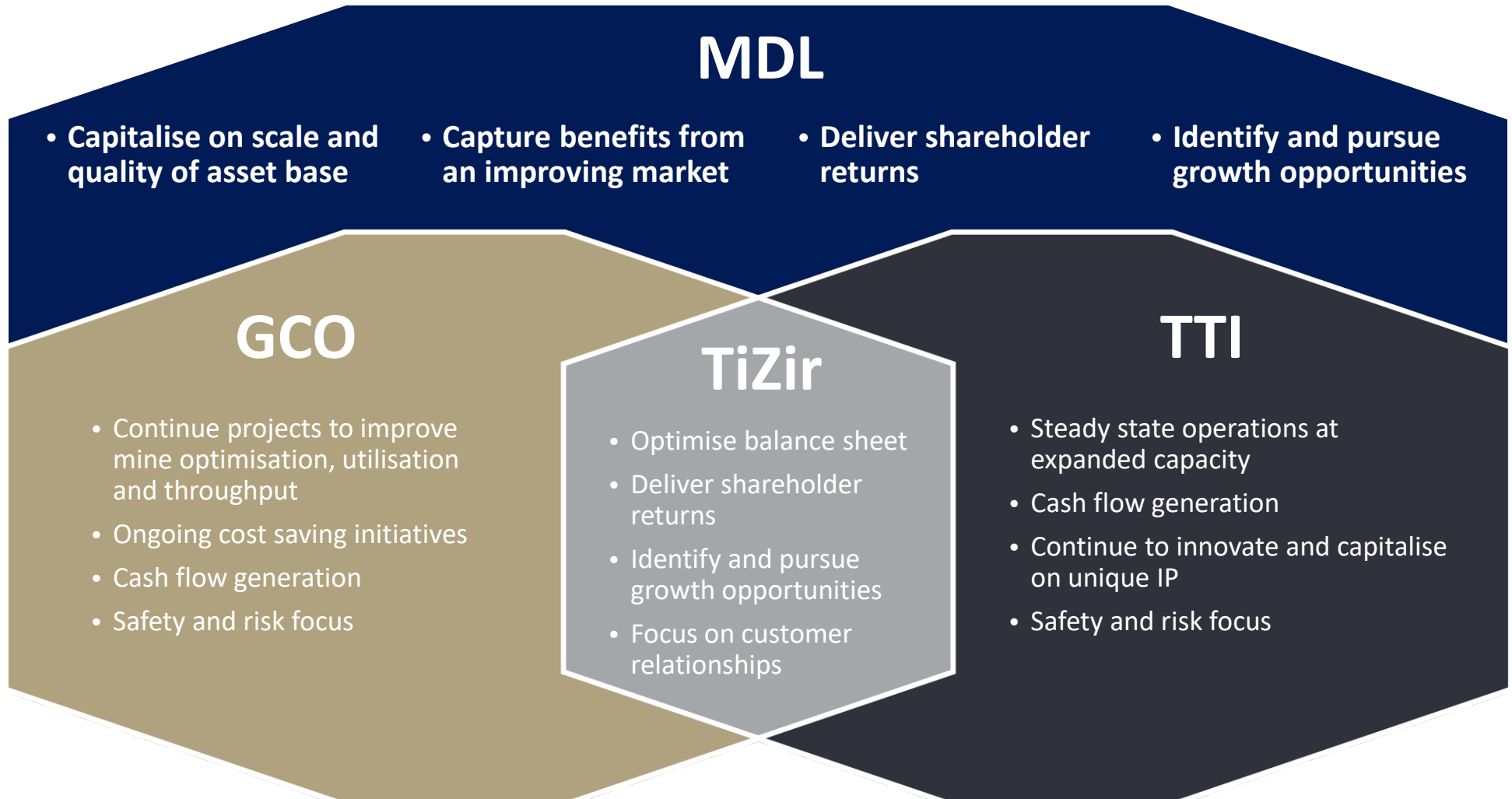
SURPLUS CASH FLOW WILL INITIALLY BE DIRECTED AT REDUCING DEBT TO A SUSTAINABLE LEVEL

TIZIR CASH FLOW FROM OPERATIONS



2018 STRATEGY

DELIVERING SHAREHOLDER VALUE



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