

# REALISING THE TIZIR VISION – MINE > INTEGRATE > TRANSFORM

Arlington Pre-daba  
3 – 5 February 2017



## STATEMENTS

### MDL OVERVIEW

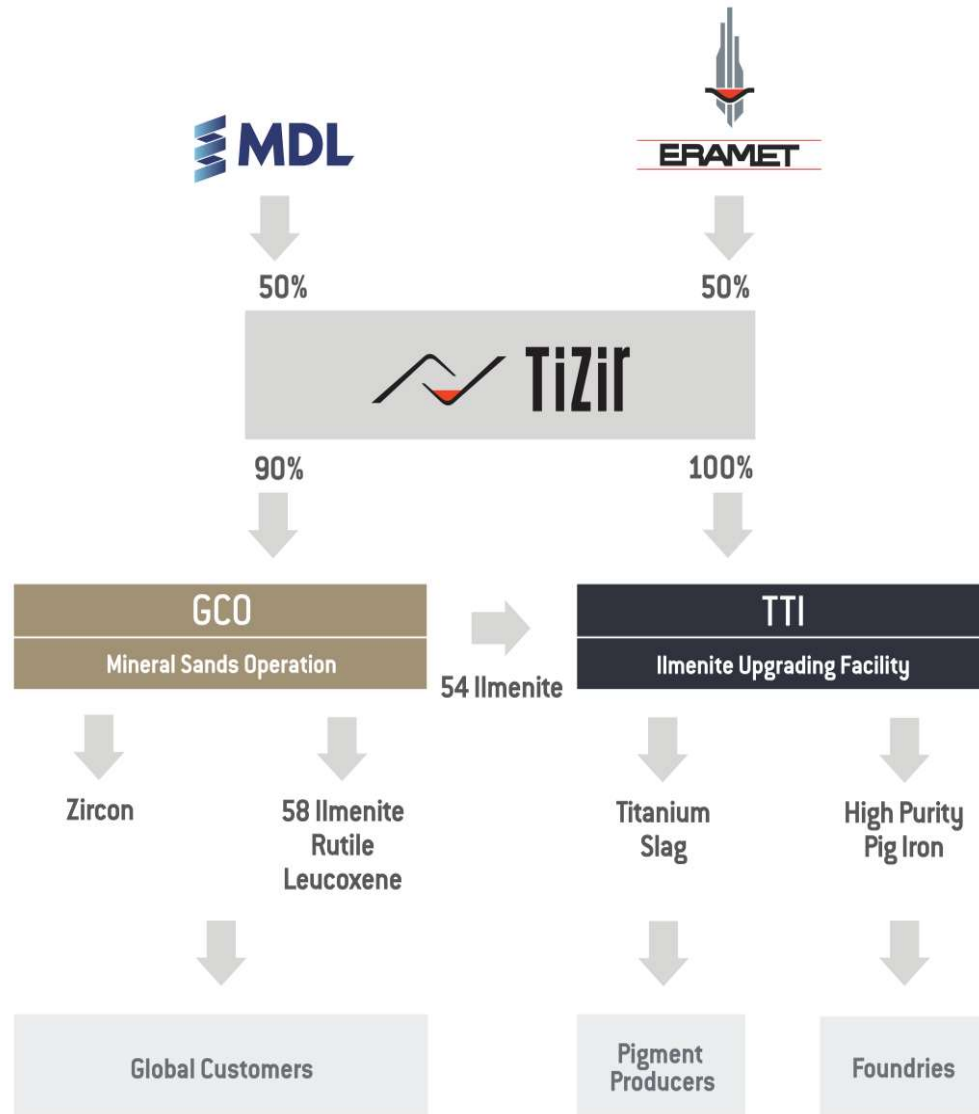
- MDL's primary asset is a 50% interest in the TiZir joint venture ('TiZir'), which owns the Grande Côte mineral sands operation ('GCO') in Senegal, West Africa and the TiZir Titanium & Iron ilmenite upgrading facility ('TTI') in Tyssedal, Norway. ERAMET of France is MDL's 50% joint venture partner in TiZir.
- MDL's product suite includes zircon, titanium feedstocks (ilmenite, rutile, leucoxene and a high-grade chloride titanium slag) as well as a high purity pig iron.

### 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, operation of mineral processing facilities, exploration and development of mineral properties, 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.
- Expressed in **United States dollars** unless otherwise stated.

# THE TIZIR JOINT VENTURE

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





## THE TIZIR JOINT VENTURE



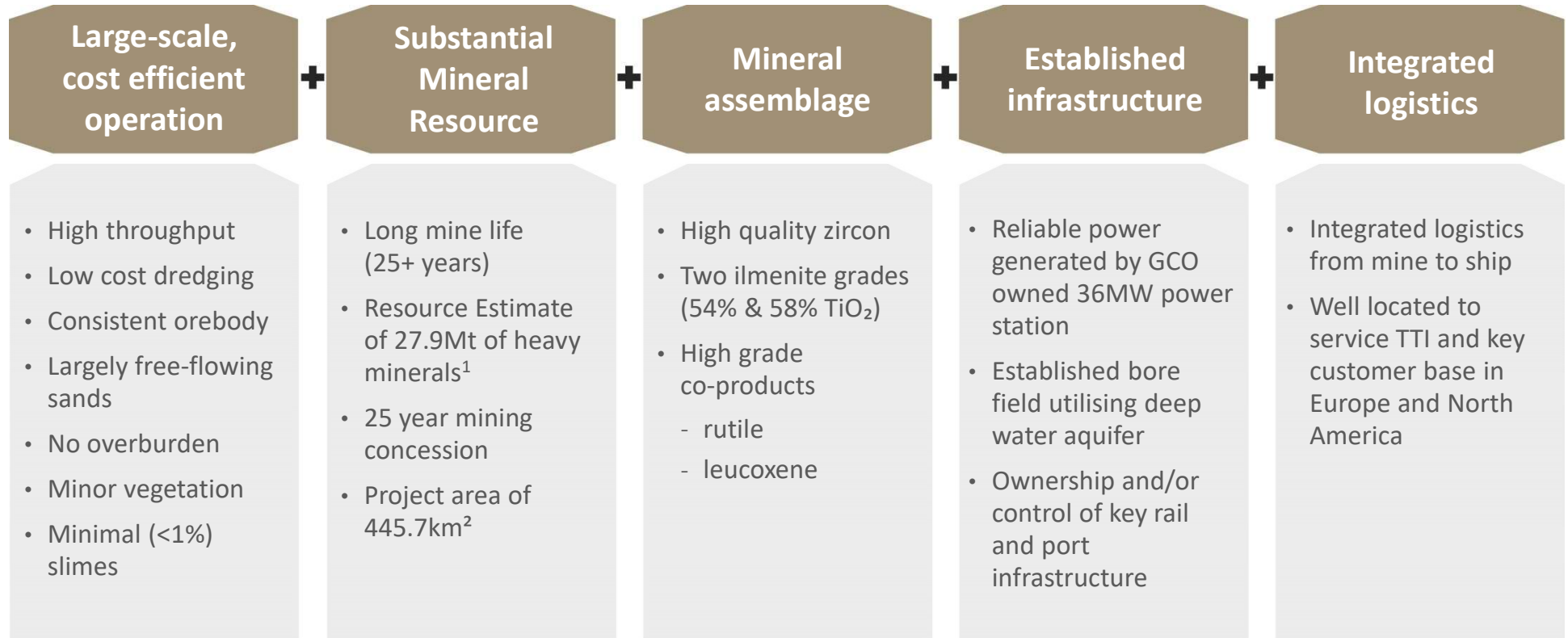
MINE > INTEGRATE > TRANSFORM

[VIDEO](#)



# GCO – A HIGHLY COMPETITIVE MINERAL SANDS MINE

## KEY ATTRIBUTES DRIVING PERFORMANCE



1: ASX release – 19 February 2015 (2015 GCO Updated Grande Côte Mineral Resource and Ore Reserves) and 18 February 2016 (Annual Statement of Mineral Resources and Ore Reserves as at 31 December 2015). The combined measured and indicated and inferred resource estimate of 27.9Mt is comprised of a measured resource estimate of 23.5Mt, an indicated resource estimate of 3.1Mt and an inferred resource estimate of 1.3Mt. MDL confirms that it is not aware of any new information or data that materially affects the information included in the ASX releases of 19 February 2015 and 18 February 2016 and that all material assumptions and technical parameters underpinning the estimates in the release continue to apply and have not materially changed.

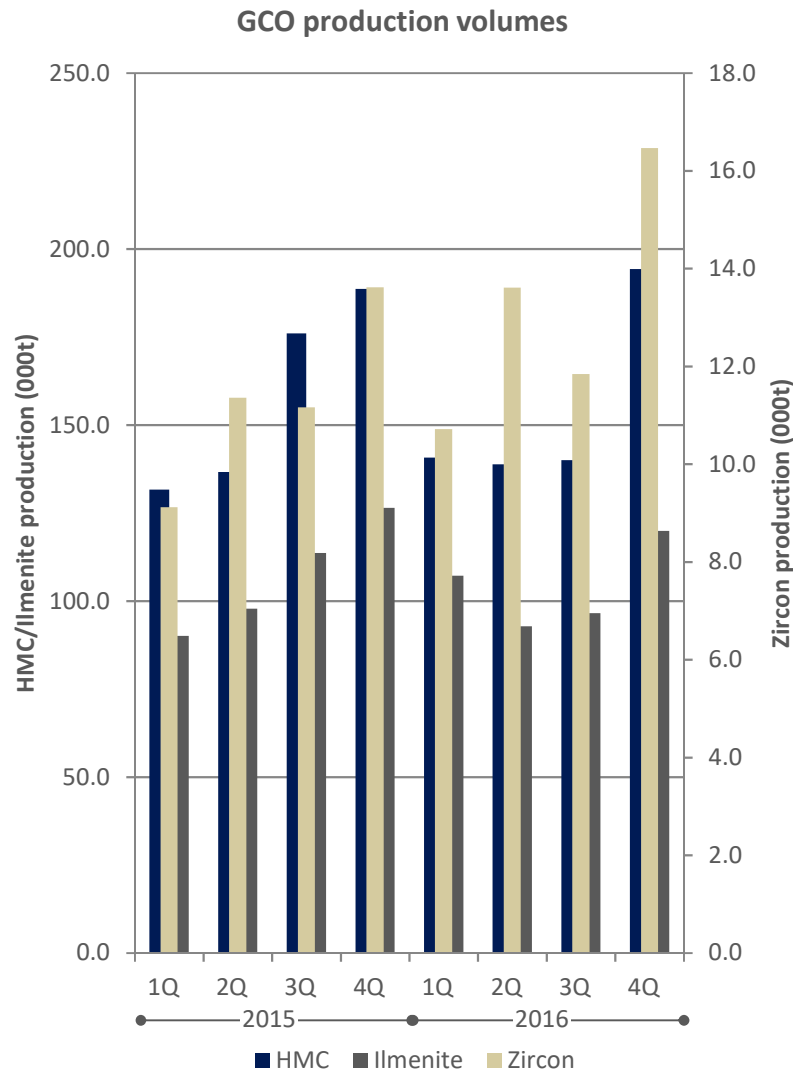
# TTI – A HIGH QUALITY UPGRADING FACILITY

## FURNACE RELINE AND CAPACITY EXPANSION PROJECT COMPLETE



# 4Q 2016 UPDATE

## PLATFORM SET FOR 2017



### GCO

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

### TTI

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

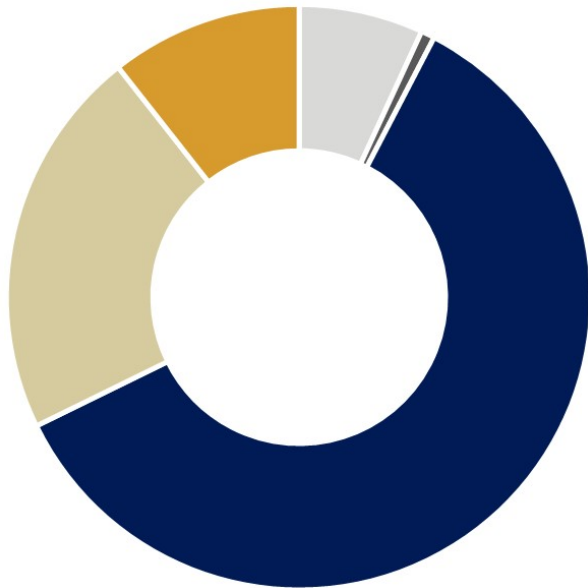
### TIZIR

- Working on bond refinancing options

# BENEFITS OF INTEGRATION BEING REALISED

INTEGRATION STRATEGY FOCUSED ON MAXIMISING RETURNS AND MINIMISING RISK

2015 Sales volume mix<sup>1</sup>



Revised sales volume mix<sup>1</sup>



## Integration benefits

- Flexible production
- Chloride slag focus
  - higher margin product
  - logistical advantages
  - environmental benefits
- Minimise risk profile
  - GCO offtake security
  - TTI supply security
- Improved margins

1: Ilmenite sales volumes between GCO and TTI have been excluded. 'Revised sales volume mix' reflects future anticipated volumes.



# MINERAL SANDS MARKET UPDATE

## IMPROVING MARKET DYNAMICS



### INDUSTRY CHARACTERISTICS

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

### RECENT INDUSTRY DEVELOPMENTS

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

### INDUSTRY OUTLOOK

- Demand growth driven by improving fundamentals
- TiO<sub>2</sub> market
  - recovery underway
  - pigment producers have seen several price increases since end 2015, with potential for more
  - potential excess capacity may limit pace of recovery for chloride slag in the short term
- Zircon market remains stable

# MDL OVERVIEW

## EXPERIENCED MINERAL SANDS PRODUCER

Share price (as at 25 January 2017)	A\$0.52
Shares on issue	103.7m
Market capitalisation	A\$53.9m
12 month high	A\$0.62
12 month low	A\$0.18

- Significant mineral sands industry experience
  - acquisition of Hawks Nest operation from BHP in 1998
- Management substantially involved in large-scale resource sector development in Senegal
- Key asset is the 50% interest in the TiZir joint venture
  - MDL balance sheet dominated by JV investment (\$185m) and loans to the JV (\$80m)
- Share register transitioning
  - top 10 shareholders own 59%
  - major shareholder is Allan Gray Australia Pty Ltd (17.4%)
- Recent share price volatility a function of:
  - resource sector sentiment
  - operational performance
  - trading liquidity



## SIGNIFICANT LEVERAGE FOR SHAREHOLDERS & NEW INVESTORS IN MDL

### STRONG PLATFORM TO GROW SHAREHOLDER WEALTH



**Improving sector outlook**



**Value leverage**

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



**Substantial five year capital program complete**

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



**Integrated operations maximising margin and minimising risk**



**Improving operational and financial performance**



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

## CONTACT DETAILS

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