

MDL UPDATE

Investor Presentation
September 2017



ASX: MDL



STATEMENTS

MDL OVERVIEW

- MDL's primary asset is a 50% interest in the TiZir joint venture, which owns the Grande Côte mineral sands operation (**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.

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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MDL INVESTOR UPDATE

MDL OWNS 50% OF THE TIZIR JOINT VENTURE

MARKET SNAPSHOT

Share price (as at 1 September 2017)	A\$0.82
Shares on issue	~197m
Market capitalisation	~A\$162m
Net Cash (Debt)	A\$13.9m
12 month range	A\$0.32 - A\$0.87

SUBSTANTIAL SHAREHOLDERS

Allan Gray Australia	18.34%
Ellerston Capital	9.40%
L1 Capital	8.84%
Farjoy	7.82%
HEST Australia	7.16%
Tiga (Thorney Investments)	6.45%
CBA (Colonial First State)	6.08%
CBUS/United Super	5.28%



THE TIZIR JOINT VENTURE – A SNAPSHOT

THE SUCCESSFUL INTEGRATION OF GCO AND TTI UNDERPINS TIZIR'S SUCCESS

GCO mine

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

TTI upgrading facility

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

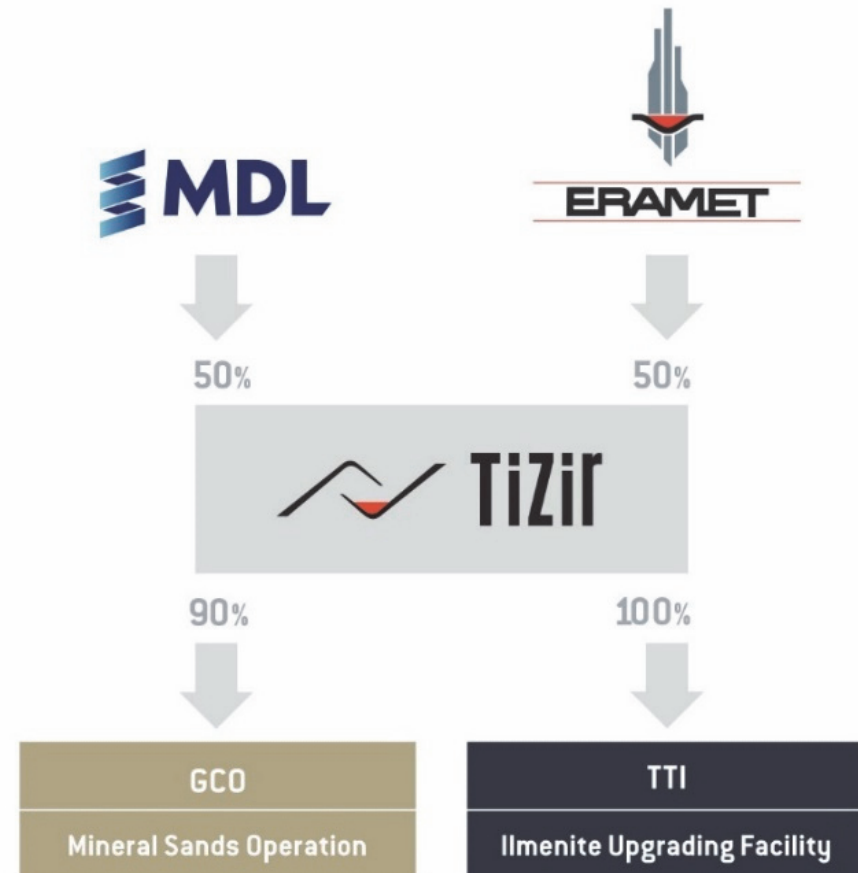
Capital expenditure program complete

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

Balance sheet

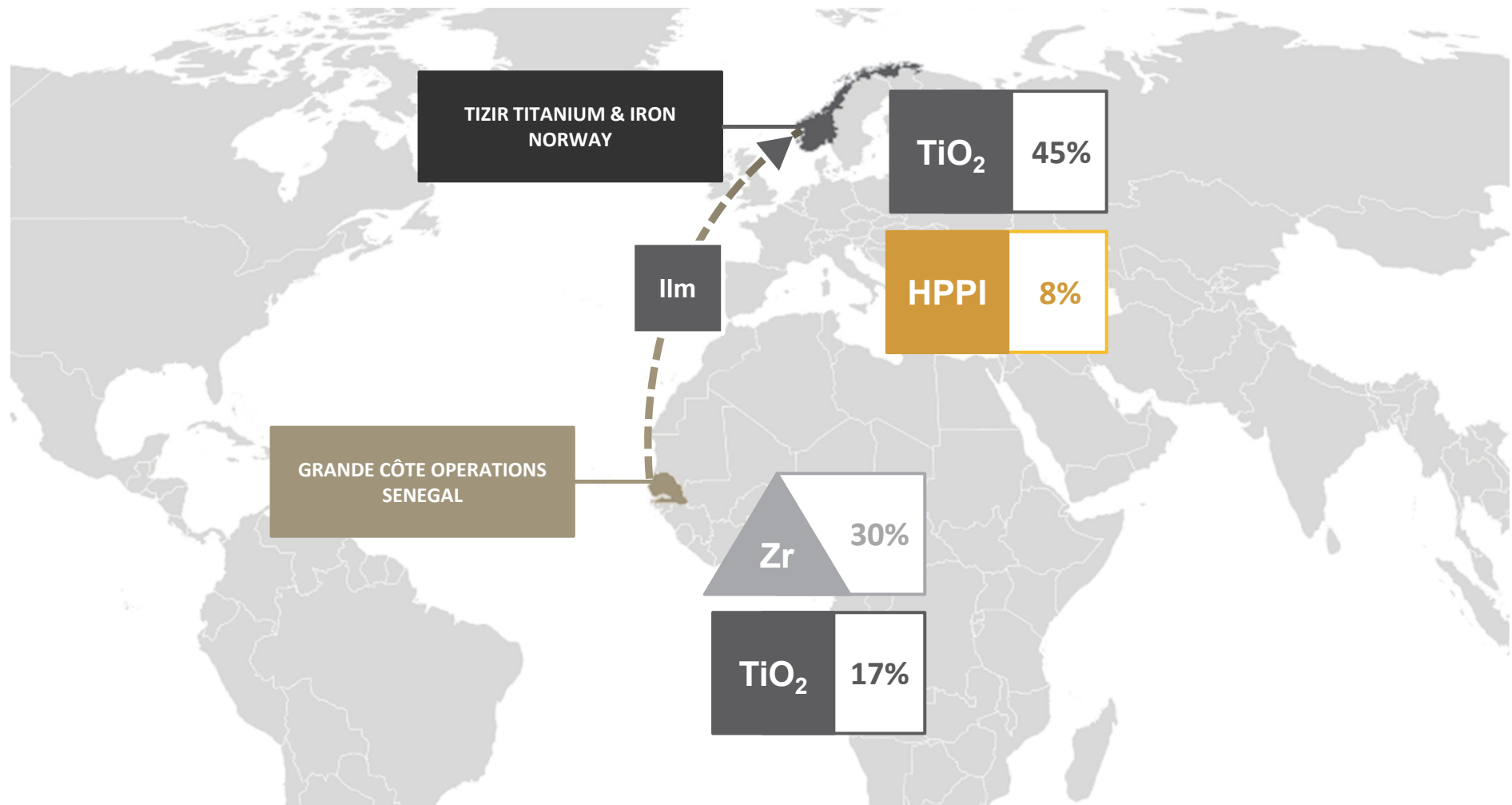
- Total assets of US\$955m at 30 June 2017
- Funded by: corporate bond (US\$300m), working capital facilities (drawn to US\$81m) and shareholder loans (US\$210m)

Experienced management teams at GCO & TTI



TIZIR OPERATIONS AND REVENUES

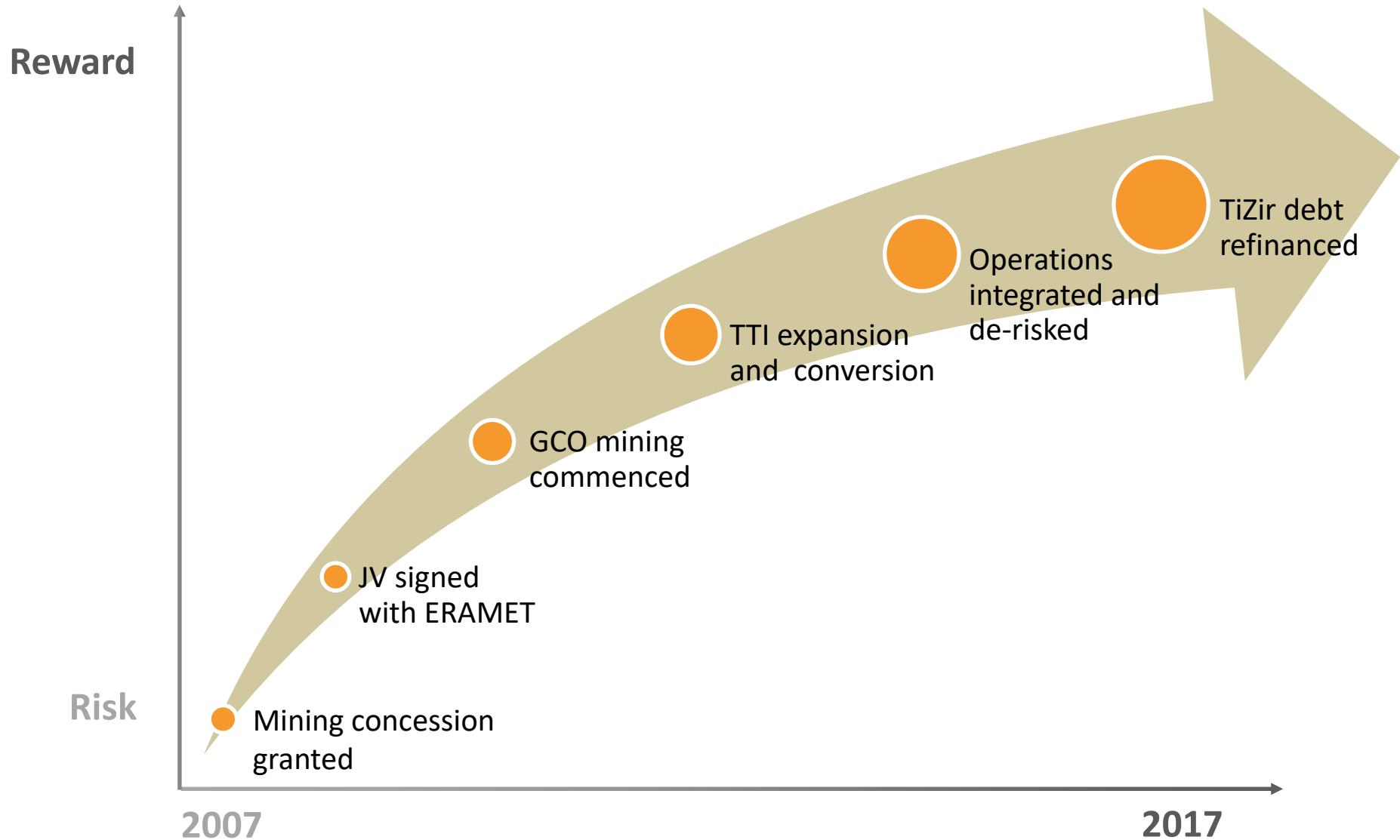
TIZIR PRODUCES HIGH-GRADE TITANIUM FEEDSTOCKS AND PREMIUM QUALITY ZIRCON



Proportion of revenue is indicative average over the life of operations

TIZIR DE-RISKED

ONGOING ACHIEVEMENT OF SIGNIFICANT MILESTONES



FIRST HALF HIGHLIGHTS

STRONG FIRST HALF – A PRELUDE TO A RECORD YEAR FOR TIZIR AND MDL

STRONG FINANCIAL POSITION

MDL

- Recapitalisation complete
- ERAMET loan repaid
- US\$13.9m cash on hand

TiZir Joint Venture

- 1H 2017 EBITDA of US\$28.4m
- US\$275m bond refinanced
- GCO cashflow positive for four consecutive quarters
- TTI working capital build largely complete
- Future production not contingent on major capex

EXCELLENT OPERATIONAL PERFORMANCE

GCO

- Target utilisation rates and throughputs achieved
- Record production

TTI

- Ramp up to expanded capacity progressing to plan
- Significant production efficiencies achieved

POSITIVE MARKET CONDITIONS

Zircon

- Price increases consistent with announcements from major producers
- Price strength anticipated to continue as supply deficit expected to emerge in 2018

Titanium Feedstocks

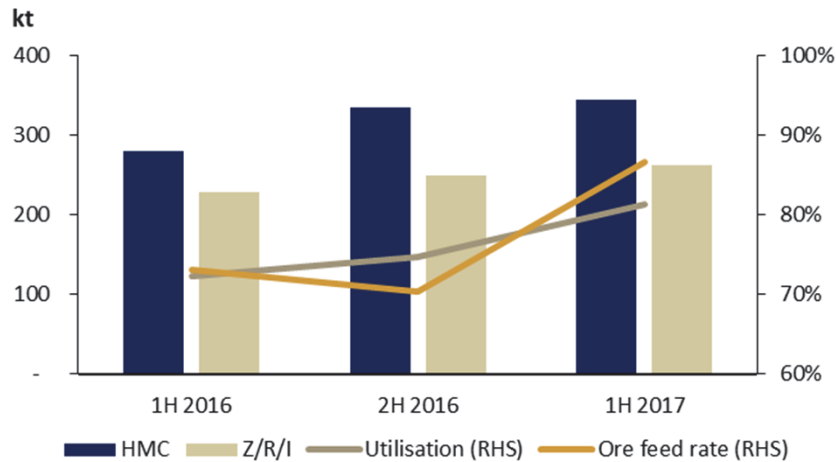
- Pigment plants operating at maximum utilisation, with minimal inventories
- Higher prices being realised

MDL is well positioned to generate long-term value for shareholders

TIZIR OPERATIONS UPDATE – PRODUCTION

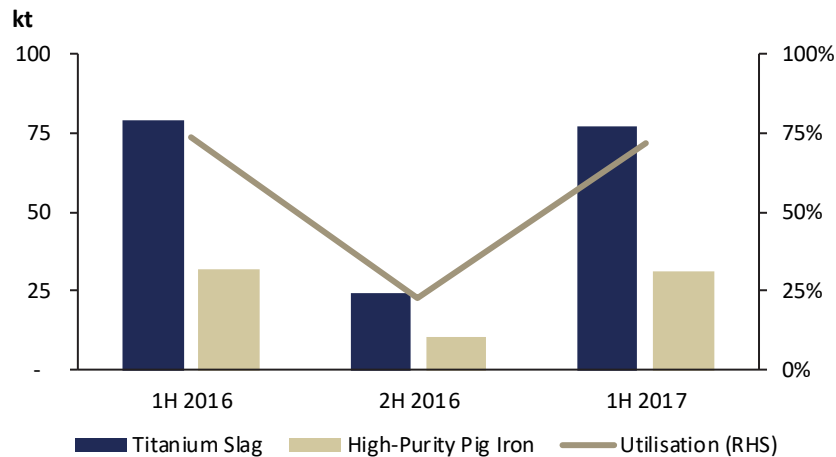
TIZIR OPERATIONS DELIVERING ON THEIR POTENTIAL

GCO



- Mine and plant optimisation initiatives delivering target utilisation rates and throughputs on a consistent basis
- Second quarter results included:
 - record ore tonnes mined
 - record HMC produced
 - record finished goods produced
- Fourth successive quarter of positive free cashflow

TTI



- Production continues according to plan
- 2Q 2017 titanium slag production represented 86% of expanded capacity target of 230,000tpa
- Increased efficiency post expansion, with operations consuming less coal and energy to achieve targeted production levels

MINERAL SANDS MARKET UPDATE

INDUSTRY MARKET DYNAMICS



INDUSTRY CHARACTERISTICS

- Demand and global GDP/urbanisation strongly correlated
- Opaque product pricing
- Emergence of China in 2010
- Influence of major producers' strategies

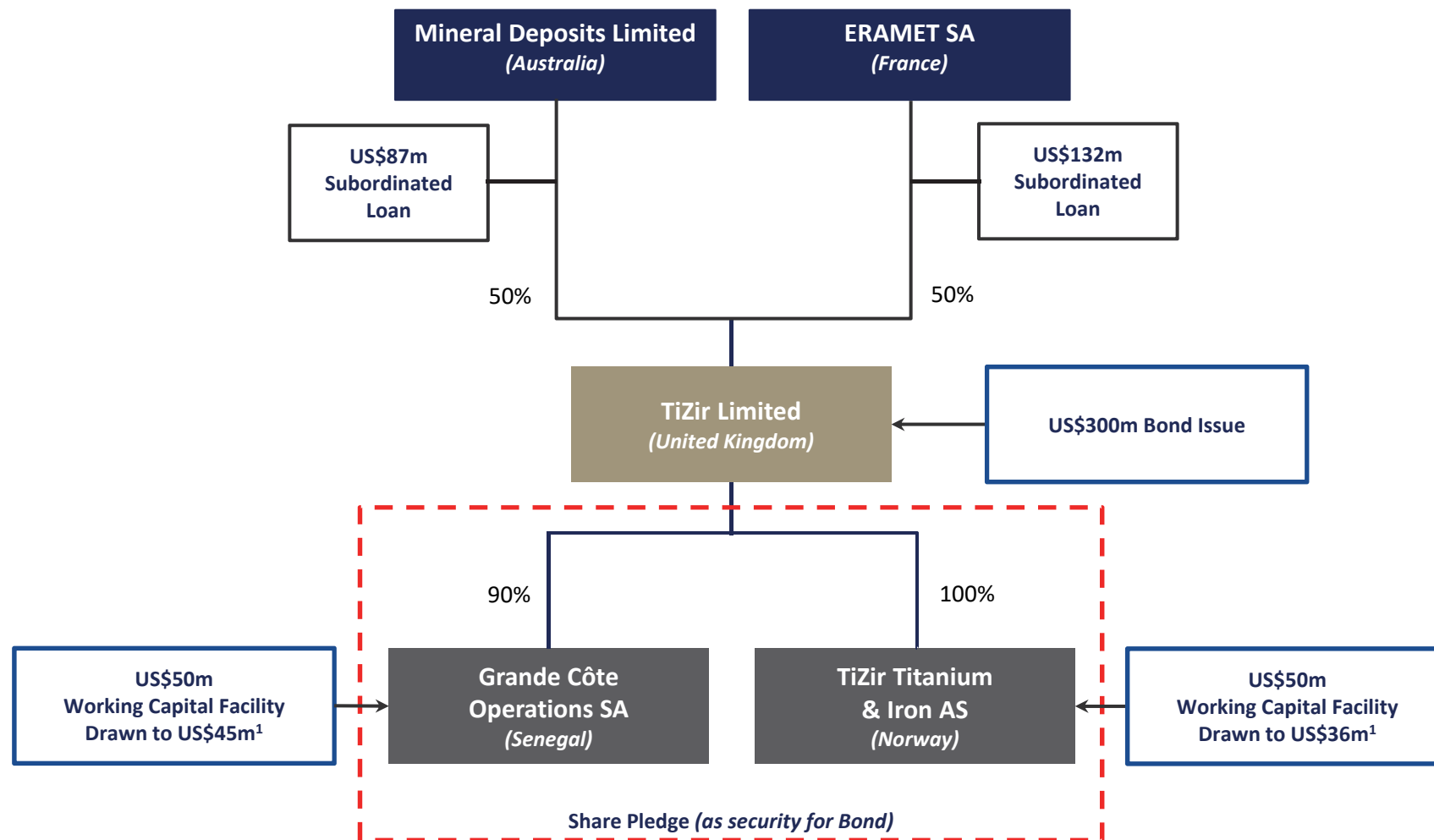
IMPROVING MARKET DYNAMICS

- Demand growth driven by improving economic fundamentals
- Limited inventories throughout supply chain
- Investment deferrals
- Environmental pressure driving rationalisation in China
- Declining resource base

INDUSTRY OUTLOOK

- Pigment
 - higher plant utilisation rates
 - contract prices continue to increase
- High-grade titanium feedstock
 - restart of idled operations removing excess capacity
 - higher spot prices for rutile
- Zircon
 - supply limitations point to further price recovery

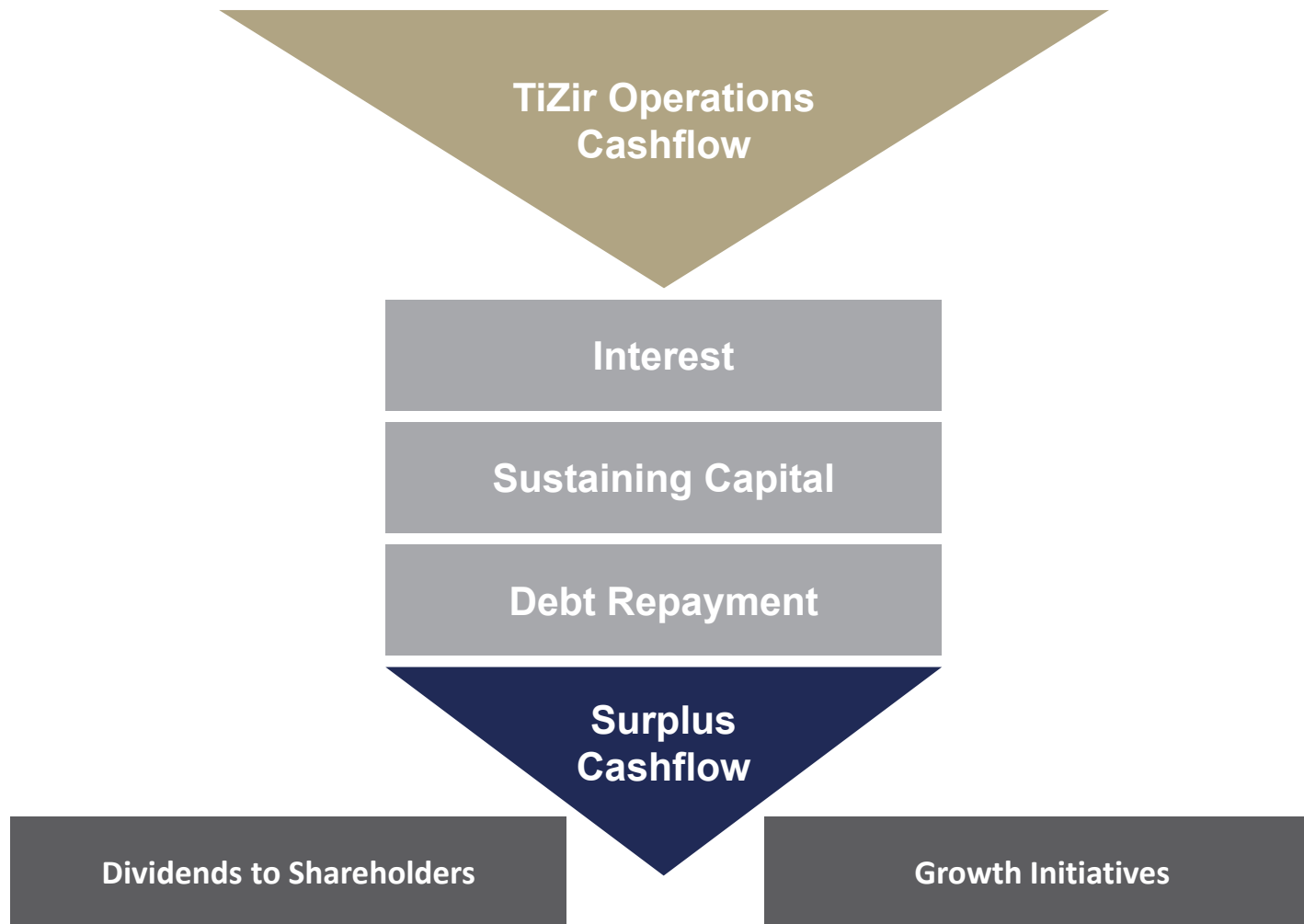
TIZIR DEBT STRUCTURE



1. As at 30 June 2017

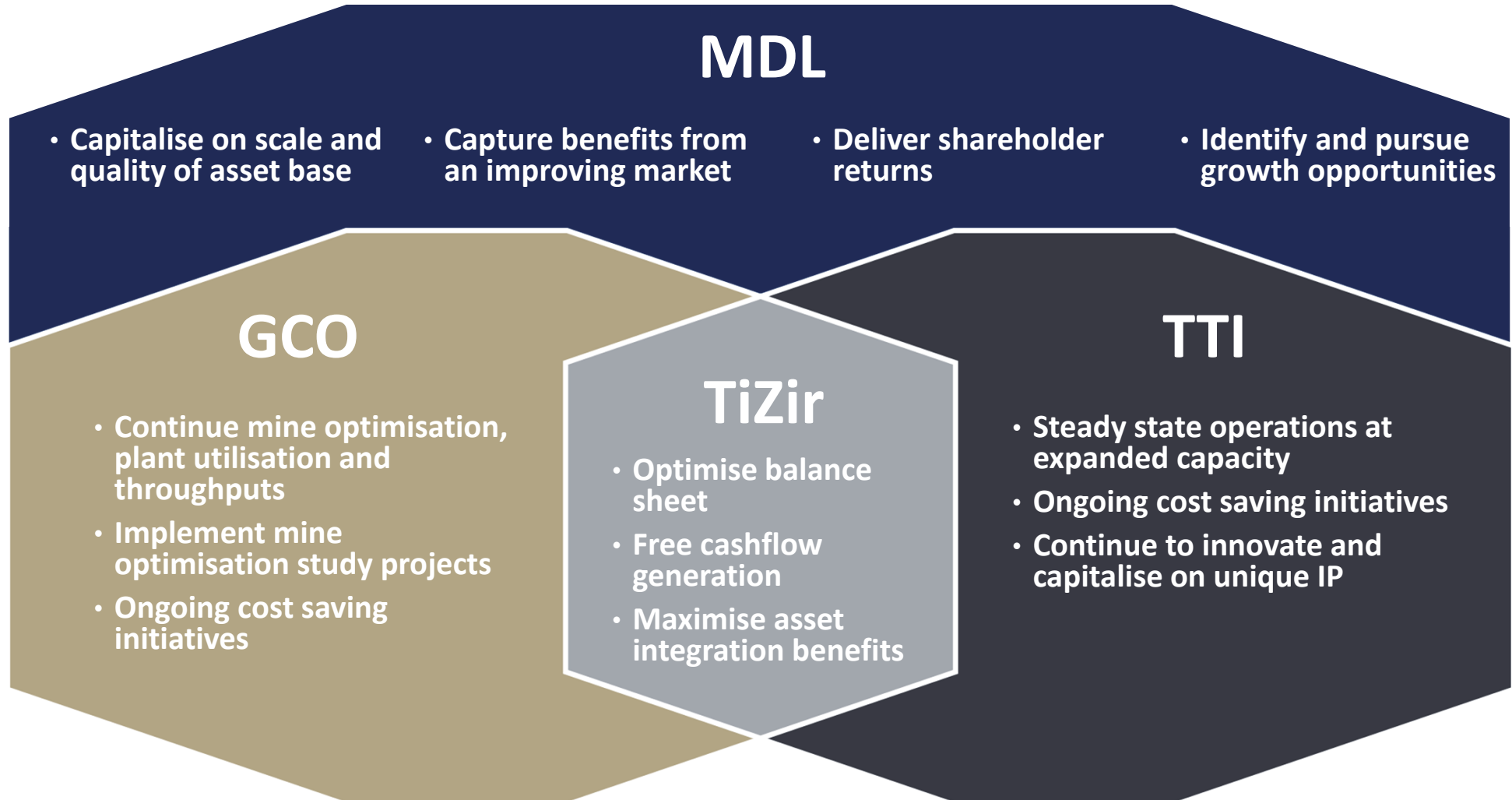
TIZIR CASHFLOW

SURPLUS CASHFLOW WILL INITIALLY BE DIRECTED AT REDUCING DEBT



2017 STRATEGY

DELIVERING SHAREHOLDER VALUE



SIGNIFICANT LEVERAGE FOR MDL SHAREHOLDERS

STRONG PLATFORM TO GROW SHAREHOLDER WEALTH



Improving sector outlook



Value leverage



Substantial five year capital program complete, no major capex required for production



Integrated operations maximising margin and minimising risk



Operations largely de-risked as reflected in improving financial performance



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



APPENDIX

TIZIR – AN INTEGRATED PRODUCER OF TITANIUM FEEDSTOCK

KEY INTEGRATION BENEFITS

GCO

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

INTEGRATION BENEFITS

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

TTI

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



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