

# ASX ANNOUNCEMENT

## NOTICE OF ANNUAL GENERAL MEETING & PROXY FORM

Mineral Deposits Limited (MDL, the Company) is pleased to provide the Notice of Annual General Meeting 2016 and Proxy Form for the Company's Annual General Meeting to be held on Friday, 20 May 2016 at 10.30am (Melbourne time) at the office of Minter Ellison, Level 23, 535 Collins Street, Melbourne, Victoria.

The Notice of Annual General Meeting, Proxy Form, Annual Report 2015 and Business Review 2015 will be mailed today to all Shareholders who have elected to receive printed copies of these 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 listed above, electronically. To go paperless, visit the [Computershare Investor Centre](#), create an account or login (if you are an existing user) and update your communication preferences to receive future communications via email.

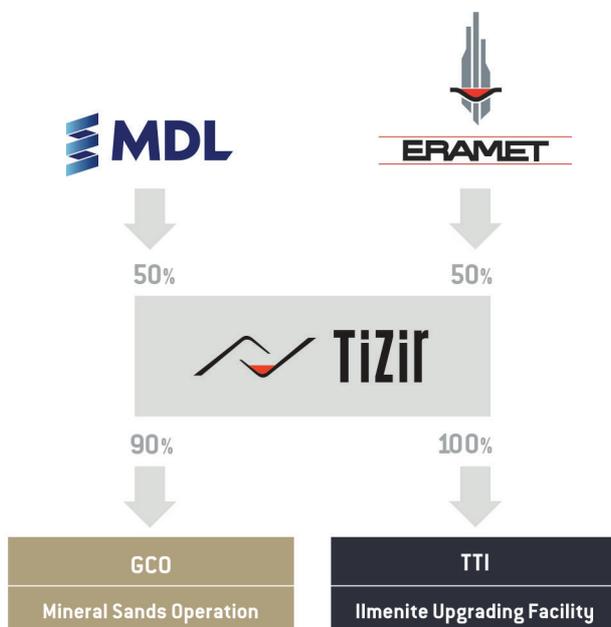
**ABOUT MDL**

Mineral Deposits Limited (ASX: MDL) is an Australian based mining company in the business of mining, integrating and transforming mineral sands resources.

MDL owns 50% of the TiZir joint venture 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 which are 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 excellent logistics with respect to cheap and clean power access, 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, 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.

**Contact details**

Level 17 530 Collins Street  
 Melbourne Victoria 3000 Australia  
 T +61 3 9618 2500  
 F +61 3 9621 1460  
 E [mdlmail@mineraldeposits.com.au](mailto:mdlmail@mineraldeposits.com.au)  
 W [mineraldeposits.com.au](http://mineraldeposits.com.au)

For further information please contact:

**Rob Sennitt**  
 Managing Director  
 T +61 3 9618 2500  
 E [rob.sennitt@mineraldeposits.com.au](mailto:rob.sennitt@mineraldeposits.com.au)

**Greg Bell**  
 Chief Financial Officer  
 T +61 3 9618 2500  
 E [greg.bell@mineraldeposits.com.au](mailto:greg.bell@mineraldeposits.com.au)

# NOTICE OF ANNUAL GENERAL MEETING 2016



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:

Friday, 20 May 2016 at 10.30am (Melbourne time)

At the office of Minter Ellison  
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 2015 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 2015, submitted as part of the Directors' Report for the year ended 31 December 2015, 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.

### Resolution 2: Re-election of Dr Robert Danchin as a Director

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

'THAT Dr Robert Danchin, 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 Mr Charles (Sandy) MacDonald as a Director

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

'THAT Mr Charles (Sandy) MacDonald, 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: Approval of the 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 Rule 7.1 and Rule 7.2 [Exception 9(b)] of the Listing Rules of ASX Limited and all other purposes, approval be given to the MDL Performance Rights Plan (Plan) and the 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.'

### Resolution 5: 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 Rule 10.14 of the Listing Rules of ASX Limited and all other purposes, approval be given to the grant, allotment and issue to Mr Robert Sennitt of up to 500,000 Performance Rights to acquire fully paid ordinary shares upon exercise for no monetary consideration in accordance with the terms and conditions of the MDL Performance Rights Plan and on the terms and conditions as more particularly specified in the Explanatory Notes.'

### Resolution 6: Approval of the Vesting of Performance Rights on Accelerated Event and Approval of Termination Benefits

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

'THAT for the purposes of sections 200B and 200E of the Corporations Act and all other purposes, the Shareholders approve the Company giving the benefits granted under the MDL Performance Rights 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 as set out in the Explanatory Notes.'

By order of the Board  
11 April 2016

**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 Friday, 20 May 2016 at the office of Minter Ellison, 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 2015. 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 2015.

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).

The Chairman of the AGM 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 2015

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 2015. It sets out the remuneration policy for the Company and reports the remuneration arrangements in place for executive Directors, specified executives and the 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 2016 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 2017 AGM, 25% or more of the votes cast on the resolution for the adoption of the Remuneration Report for the financial year ending 31 December 2016 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 2017 AGM. 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 2017 AGM (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 8.1. 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:

- 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 – Board Succession: Re-election of Directors

#### 4.1 Background

As foreshadowed in 2014, the Company has been implementing a succession plan at Board and management level that reflects the Company's position as an integrated producer of high quality mineral sands feedstocks. In keeping with this plan, during 2015 the Company successfully transitioned a new management team – headed by the recently appointed Managing Director and Chief Executive Officer, Mr Robert Sennitt – that brings important expertise and energy to develop the next stage of the Company's evolution. To further progress this transition, and as outlined in the Company's 2015 Annual Report, executive Chairman Mr Nic Limb will transition to non-executive Chairman and long serving non-executive Director Dr David Isles will retire following close of business at the 2016 AGM.

Following Dr Isles' retirement from the Board and Mr Limb's transition to non-executive Chair, and assuming resolutions 2 and 3 are passed, the Board will comprise two executive and four non-executive Directors (three of whom are considered independent).

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 seven 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 Robert Danchin (last re-elected in 2013);
- Dr David Isles (last re-elected in 2014)
- Mr Charles (Sandy) MacDonald (elected in 2014); and
- Dr Tom Whiting (last re-elected in 2014).

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. Dr Isles will be retiring from the Board at the close of the 2016 AGM and is therefore not seeking re-election. Mr MacDonald and Dr Whiting have agreed among themselves that Mr MacDonald will be the Director who will be retiring by rotation alongside Dr Danchin and, being eligible to do so, both offer themselves for re-election.

**Dr Robert (Bobby) Danchin** – Bobby has over 40 years' experience in the exploration industry. He was Chief Executive Officer of Anglo American plc's Exploration and Acquisition Division and the Anglo American Group's Deputy Technical Director (Geology). From 1997 to 2002, he was an executive director of Anglo American Corporation of South Africa Limited. In 1980, he joined Stockdale Prospecting Limited (an Australian subsidiary of De Beers) as Chief Geologist based in Australia. He remained with that company for 15 years, eventually becoming Exploration Manager heading up its Australian-based diamond exploration program. Bobby holds a Bachelor of Science (Honours) degree, Masters and Doctor of Philosophy in Geochemistry and is a Fellow of the Australasian Institute of Mining and Metallurgy. He currently holds no other directorships.

Bobby is Deputy Chairman of MDL with special responsibility for corporate governance and related areas. He is a member of the Audit & Risk Committee and the Nomination & Remuneration Committee.

Bobby has been a Director of the Company since February 2007.

**Mr Charles (Sandy) MacDonald** – Sandy has over 40 years' experience covering operations, development, design and construction in the mining and metallurgical industries in Africa, United Kingdom, Canada and Australia. For the last 10 years Sandy has worked as an independent consultant on process design and implementation, technology development, plant expansion and project management for companies including TiZir Limited, BeMaX Resources NL, Tiomin Resources Inc, Xstrata, Western Mining Limited and BHP Billiton Limited. As a co-founder and technical director of Ausenco Limited, Sandy was responsible for feasibility studies and projects for a wide variety of mineral sands companies, including Iluka Resources, Tiwest, Kenmare Resources plc, Murray Basin Titanium and Basin Minerals Limited, as well as other mineral processing companies. He has also held senior engineering positions with Minproc Engineers, Noranda Limited of Canada, Allis Chalmers of Great Britain, and Nchanga Consolidated Copper Mines of Zambia. Sandy holds a Bachelor of Science (Honours) degree in Chemical Engineering from Edinburgh University and is a Fellow of the Australasian Institute of Mining and Metallurgy. He currently holds no other directorships.

Sandy has been a Director of the Company since February 2014 and is a member of the Audit & Risk Committee.

## 4.2 Board recommendations

The Directors (other than Dr Danchin) recommend that you vote in favour of Resolution 2. Dr Danchin 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 Mr MacDonald) recommend that you vote in favour of Resolution 3. Mr MacDonald 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 – Approval of the MDL Performance Rights Plan and Issue of Securities under the Plan

### 5.1 Why Shareholder approval is being sought

The Company is seeking Shareholder approval of the MDL Performance Rights Plan (**Plan**) and approval to exempt issues of securities under the Plan for three years from contributing towards the rolling annual limit of

15% of issued ordinary shares that MDL may issue prescribed by Listing Rule 7.1. This limit otherwise applies to all new issues of equity securities under the Plan made without Shareholder approval. Shareholder approval is sought under Listing Rule 7.2 Exception 9(b) whereby Shareholders may approve the issue of securities under an employee incentive scheme for a period of three years as an exception to the 15% limit under Listing Rule 7.1. This exemption includes the proposed grant of up to 500,000 Performance Rights to Mr Robert Sennitt for no monetary consideration in accordance with the terms and conditions of the 2016 Plan (see Resolution 5).

The Plan is designed to incentivise staff and create a stronger link between increasing Shareholder value and employee reward.

The Plan was approved by the Board effective 1 February 2016, has not previously been the subject of Shareholder approval and no incentives (including performance rights, options or other securities) have been granted under the Plan since it was established.

The Plan replaces the MDL Employee Incentive Plan which was adopted by the Board and approved by Shareholders in 2011. Since inception and the date of last Shareholder approval, a total of 250,000 performance rights were granted to three executive Directors of the Company under the 2011 MDL Employee Incentive Plan. Of those issued, 137,555 vested and were exercised in September 2014 and 112,445 lapsed. No performance rights are outstanding under the 2011 MDL Employee Incentive Plan.

To achieve its corporate objectives, the Company needs to attract and retain key staff and return value to Shareholders. The Directors believe that grants made to eligible persons under the Plan will provide a useful tool to underpin the Company's employment strategy and that the issue of securities under the Plan will:

- enable the Company to recruit and retain talented people needed to achieve the Company's business objectives;
- link the reward of key staff with the achievements 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.

### 5.2 MDL Performance Rights Plan summary terms

A summary of the terms of the Plan 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 a fully paid ordinary 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 on the exercise of vested Performance Rights will rank equally, on and from their date of issue, 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 Right (including sell, offer for sale, transfer, assign or grant any encumbrance, right or obligation over the Performance Rights or any Shares issued on exercise of the Performance Right) 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 where Resolution 6 is passed by the shareholders at this meeting (or if not passed, a similar resolution for the purposes of the 'termination benefits' provisions (sections 200B and 200E) of the Corporations Act is passed at a separate general meeting of the Company), the Plan participant is deemed by the Board to be a 'Good Leaver' (see Section 7.2 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. The Company will then allot and issue that number of new Shares corresponding to the number of Performance Rights exercised in accordance with any Company adopted procedures regarding the timing of Share issues. All such Shares will upon allotment be credited as fully paid and rank equally with other issued fully paid ordinary 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 or 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 Plan participant was deemed to be a Good Leaver (see section 7.2) 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 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 upon the exercise of the Performance Rights and any distributions or dividends paid on Shares issued 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.

### 5.3 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 4.

## 6. Resolution 5 – Grant of Performance Rights to Mr Robert Sennitt as a Long-Term Incentive

### 6.1 Background

During 2015, the Nomination & Remuneration Committee undertook a review of MDL's remuneration structure, including short-term incentives and long-term incentives for the Company's executives. 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.

As outlined in the Remuneration Report which forms part of the Directors' Report in the 2015 Annual Report of the Company, the provision of Performance Rights (being a right to receive a number of fully paid ordinary shares in the Company) for nil monetary consideration to eligible executives subject to performance hurdles being satisfied issued under the Plan comprises the equity component of the 'at risk'/'reward' opportunity for the

2016 year. Non-executive Directors will not participate in the Plan for the 2016 year. Further information on the remuneration of executives and non-executive Directors is set out in the Remuneration Report.

Resolution 5 seeks, for the purposes of Rule 10.14 of the Listing Rules of ASX Limited and all other purposes, approval for the grant, issue and allotment of Performance Rights to acquire fully paid ordinary 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 500,000 Performance Rights to Mr Sennitt on terms and conditions summarised in these Explanatory Notes.

## 6.2 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. Whilst the Board has determined that typically a 20 day volume weighted average price (VWAP) should be used to evaluate the number of Performance Rights to be issued under the Plan, the Board, at its discretion, has resolved that the number of Performance Rights to be issued to Mr Sennitt be valued at **A\$0.50** (50 cents) per Performance Right due to the position of the Company in the resource sector price cycle.

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** – 50% of the Performance Rights (250,000 Performance Rights) will be subject to an absolute total shareholder return (TSR) hurdle over the three year performance period (being 1 February 2016 to 31 January 2019). 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 and up to 25% CAGR	Pro rata vesting from 50%-100%	Between 25% and 50%	50%
	At 15% CAGR	50%	25%	25%
	Less than 15% CAGR	0%	0%	0%

CAGR = Compound Annual Growth Rate

Note that for the purposes of calculating the CAGR over the duration of the performance period, the Board has set the base price for MDL Shares as at 1 February 2016 at **A\$0.50** (50 cents) per Share.

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 (250,000 Performance Rights) will be subject to a relative TSR hurdle over the three year performance period (being 1 February 2016 to 31 January 2019). 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	75 <sup>th</sup> Percentile or above	100%	50%	50%
	Between 50 <sup>th</sup> Percentile and 75 <sup>th</sup> Percentile	Pro rata vesting from 50%-100%	Between 25% and 50%	50%
	At 50 <sup>th</sup> Percentile	50%	25%	25%
	Below 50 <sup>th</sup> Percentile	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 2016 being **A\$0.23** (23 cents).

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.

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 2019. 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 2019, being three years from 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 and up to 25% CAGR	Pro rata vesting from 50%-100%	Between 50% and 100%
	At 15% CAGR	50%	50%
	Less than 15% CAGR	0%	0%

Note that the Shareholder approved price per Share will be taken to be the final Share price to be assessed against the above schedule. Vesting will occur on a proportionate straight-line basis from 50% to 100% for performance between 15% CAGR and 25% CAGR. Further, for the purposes of calculating the CAGR over the duration to the Change of Control Event, the Board has determined that the price for MDL Shares will be calculated on the basis of the 20 day VWAP preceding 1 February 2016 being **A\$0.23** (23 cents).

Should a Change of Control Event occur, 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 by Shareholders;

- subject to Resolution 6 being passed, the date where employment ceases for reason of genuine redundancy, ill health, injury, disability or death or for any other reason which the Board determines, on a case by case basis, in its absolute discretion, results in the relevant director being a Good Leaver (see Section 7.2 for further details), whereby a proportion of the retained Performance Rights will vest, with such proportion being equal to the number of days which have elapsed from the date of grant 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;
- subject to Resolution 6 being passed, the date of termination of employment of the participant who is deemed to be a Good Leaver under the Plan rules, whereby a proportion of the retained Performance Rights will vest, with such proportion being equal to that number of days which have elapsed from the date of grant of the Performance Rights until the date of termination of employment as a proportion of the total number of days in the relevant three year performance period.

Upon cessation of employment of a participant, where Resolution 6 (or any similar resolution for the purposes of the 'termination benefits' provisions of the Corporations Act) has not previously been passed and the participant is a Good Leaver under the Plan rules, the participant's unvested Performance Rights will not vest on an accelerated basis. In these circumstances, unvested Performance Rights will remain on issue until the conclusion of the relevant performance period at which time those unvested Performance Rights may either vest or lapse in accordance with their terms (i.e. based on satisfaction of the other relevant performance hurdles over the relevant performance period), disregarding the cessation of employment.

Where the participant is **not** a Good Leaver, all unvested Performance Rights held by that participant will immediately lapse.

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.

### 6.3 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 5 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 500,000.
- There is no monetary consideration payable by Mr Sennitt in respect of the proposed grant of Performance Rights pursuant to the offer made.
- No Performance Rights have previously been granted under the Plan and no previous approval has been obtained in relation to the grant of Performance Rights under the Plan.
- The Plan replaces the MDL Employee Incentive Plan which was adopted by the Board and approved by Shareholders in 2011. Since inception and the date of last Shareholder approval, a total of 250,000 performance rights were granted to three executive Directors of the Company under the 2011 Plan. Of those issued, 137,555 vested and were exercised in September 2014 and 112,445 lapsed. No performance rights are outstanding under the 2011 plan.
- In accordance with the Company's current remuneration policy, the Executive Directors of the Company (being Mr Limb, 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. Mr Limb, who is transitioning to non-executive Chairman of the Company, and long-standing executive Director Mr Ackland will not participate in the Plan in 2016. 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, and the performance conditions of the Performance Rights are provided in Appendix 1 accompanying this Notice of Meeting.
- A voting exclusion statement is included in the Notice of Meeting of which these Explanatory Notes form part (please refer to page 7).
- 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 5 is approved and who were not named in the Notice of Meeting 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 Annual General Meeting at which Resolution 5 is approved. The Company will comply with this requirement.

Mr Sennitt's details are set out below:

Recently appointed by the Board as Managing Director, 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. Rob 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, Rob 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 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 serves on the Board of TiZir Limited, the joint venture entity owned equally by MDL and ERAMET SA. 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. Rob is also Chairman of the TiZir Finance Committee.

### 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 – Vesting of Performance Rights on Accelerated Event and Approval of Termination Benefits

### 7.1 Why Shareholder approval is being sought

The Company is seeking Shareholder approval for all purposes (including for the purposes of sections 200B and 200E of the Corporations Act) to any 'termination benefits' that may be provided to a participant under the Plan or under his/her employment agreement with the Company.

Approval is being sought in respect of any current or future participant who holds a managerial or executive office in the Company or a related body corporate (**Executive Officer**) at the time of his/her leaving or at any time in the three years prior to his/her leaving and who holds Performance Rights under the Plan at the time of leaving.

Resolution 6 is proposed to seek Shareholder approval to enable the Company to pay or provide to the Executive Officers a benefit potentially in excess of their average annual base salary remuneration where termination is for the reasons outlined in Section 7.2.

Shareholder approval under Resolution 6 **does not** give the Board authority to make ex gratia golden handshake payments to Executive Officers, nor does it give the Board authority to unilaterally accelerate the vesting of any outstanding Performance Rights or other securities, except as provided by the Plan rules.

### 7.2 What is the Company seeking approval for?

If Resolutions 4 and 5 are passed the grant of Performance Rights under the Plan provides Mr Sennitt and other Executive Officers with an 'at risk' long-term incentive component to their remuneration packages.

If Resolution 6 is passed, should an Accelerated Event occur, the Performance Rights granted under the Plan will vest.

An '**Accelerated Event**' 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.

Without shareholder approval, the Company may be unable to lawfully provide the benefit of the vesting of a portion of Performance Rights or other securities where an Accelerated Event occurs.

### 7.3 What is the value of the termination benefits?

The value of any termination benefit cannot be determined in advance.

Matters, events and circumstances that will, or are likely to, affect the calculation of the value of a termination benefit that may be given to an Executive Officer by reason of the acceleration of any unvested Performance Rights or other securities include:

- the number of Performance Rights or other securities held by the Executive Officer prior to cessation of employment or loss of office with the Company;
- the amount of time during the relevant performance period that has elapsed by the date of cessation of employment or loss of office with the Company; and
- the Company's share price on ASX at the time of the participant ceasing to be an employee.

The Company will calculate the value of this benefit as being equal to the value of the number of outstanding Performance Rights that vest, where that value is determined as being equal to the price of a Share on ASX at the time of the calculation.

Matters, events and circumstances that will, or are likely to, affect the calculation of the value of a termination benefit that may be given to an Executive Officer pursuant to their employment agreement with the Company include the fixed remuneration of the Executive Officer, the time at which and the circumstances in which the Executive Officer loses office and whether the Executive Officer is to receive a payment in lieu of notice in respect of all or part of the notice period. The cash amount payable for payment in lieu of notice will be determined by reference to the individual's fixed remuneration level at the relevant time. Where employment is terminated by the Company without cause, Mr Sennitt and each other Executive Officer (excluding Mr Ackland who will not participate in the Plan in 2016) currently have a notice period of three months. Remuneration of directors and executives is set out in the Remuneration Report of the Company. The current fixed remuneration of Mr Sennitt is A\$500,000 per annum.

### 7.4 Board recommendation

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

## 8. Voting and Proxies

### 8.1 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 (a) 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 (b) 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.

#### Resolutions 4 and 5

Pursuant to section 250BD of the Corporations Act, the Company will disregard any votes cast on either of Resolutions 4 and 5 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:

- (i) the proxy is appointed by writing that specifies how the proxy is to vote on the resolution proposed; or
- (ii) 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 Resolution 4 and 5 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 4 and 5 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.

### Resolution 6

Pursuant to section 200E(2A) of the Corporations Act, a vote on Resolution 6 must not be cast (in any capacity) by or on behalf of:

- (i) a person who holds a managerial or executive office in the Company and to whom Resolution 6 permits benefits to be given; or
- (ii) an associate of the person.

However, this does not prevent the casting of a vote if it is cast as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 6 and it is not cast on behalf of the person who holds a managerial or executive office with the Company and to whom Resolution 6 permits benefits to be given or an associate of that person.

Pursuant to section 250BD of the Corporations Act, the Company will disregard any votes cast on Resolutions 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:

- (i) the proxy is appointed by writing that specifies how the proxy is to vote on the resolution proposed; or
- (ii) 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.

### 8.2 Voting

The Company has determined, in accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth), that the Company's Shares quoted on ASX at 7.00pm (Melbourne time) on Wednesday, 18 May 2016 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.

### 8.3 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 Wednesday, 18 May 2016 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 in the addressed envelope enclosed

### 8.4 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.

### 8.5 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 Company Secretary and any Directors of the Company 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.

### 8.6 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 in the addressed envelope enclosed
- 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 Annual General Meeting and Explanatory Notes, the following terms have the following meanings:

**Annual General Meeting** the Annual General Meeting of the Company scheduled to be held on Friday, 20 May 2016

**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** compound annual growth rate

**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.

**Company** 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

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

**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

**Listing Rules** the listing rules of ASX

**MDL** Mineral Deposits Limited ABN 19 064 377 420

**Performance Rights** a right to acquire a Share under the MDL Performance Rights Plan described in section 5 of these Explanatory Notes

**Plan** MDL Performance Rights Plan described in section 5 of these Explanatory Notes

**Proxy Form** a proxy form accompanying this Notice of Annual General Meeting

**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 Annual General Meeting

**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

**Total Shareholder Return** 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

**VWAP** volume weighted average price

## APPENDIX 1

### 2016 Long-term incentive grant structure

#### Remuneration vehicle

- Performance Rights
- Performance Rights granted under the Company's MDL Performance Rights 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

#### 2016 grant and link to performance

##### Grant structure

- Opportunity percentages relative to total fixed remuneration proposed for FY2016:

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)	500,000
COO (Jozsef Patarica)	320,000
CFO (Greg Bell)	200,000
Company Secretary (Michaela Evans)	150,000

##### 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 2016 to 31 January 2019). 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 and up to 25% CAGR	Pro rata vesting from 50%-100%	Between 25% and 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 set the base price for MDL Shares as at 1 February 2016 at **A\$0.50** (50 cents) per Share.

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 2016 to 31 January 2019). 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	75 <sup>th</sup> Percentile or above	100%	50%	50%
	Between 50 <sup>th</sup> Percentile and 75 <sup>th</sup> Percentile	Pro rata vesting from 50%-100%	Between 25% and 50%	50%
	At 50 <sup>th</sup> Percentile	50%	25%	25%
	Below 50 <sup>th</sup> Percentile	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 2016 being **A\$0.23** (23 cents).

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 MDL Performance Rights Plan Rules.



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

**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

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## 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: 999999**

**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 10.30 am (Melbourne time) Wednesday, 18 May 2016**

### 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.



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IND

# Proxy Form

Please mark  to indicate your directions

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

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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 Minter Ellison, Level 23, 525 Collins Street, Melbourne on Friday, 20 May 2016 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, 4, 5 & 6 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 4, 5 & 6 are connected directly or indirectly with 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, 4, 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 Dr Robert Danchin as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Mr Charles (Sandy) MacDonald as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of the MDL Performance Rights Plan and Issue of Securities under the Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Grant of Performance Rights to Mr Robert Sennitt as a Long-Term Incentive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of the Vesting of Performance Rights on Accelerated Event and Approval of Termination Benefits	<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 / /

MDL

999999A

Computershare +