

ASX ANNOUNCEMENT

TIZIR PRODUCTION UPDATE

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.

KEY POINTS

- GCO on track for record quarterly heavy mineral concentrate (**HMC**) production for 2Q 2017
- TTI production remains on schedule
- Markets for titanium minerals and zircon continue to improve

GCO

Programs to optimise mining operations at GCO continue to yield positive results with GCO on track for a record quarter. It is currently estimated that GCO will produce in the order of 200,000t of HMC for 2Q 2017. This result is a reflection of sustained high levels of availability, utilisation and throughput across the mine.

The mineral separation plant also continued to operate near design capacity and is on track to produce a quarterly production record for all finished goods. The introduction of a medium-grade zircon sand product in 1Q 2017 has also proven successful, allowing GCO to capitalise on rising zircon prices.

TTI

Production at TTI continues according to plan. Encouragingly, the operation is consuming less coal and energy to achieve budgeted production levels, thereby increasing operational cost efficiencies. TTI is producing consistent, high-quality products to meet customer specifications. For the quarter ending 30 June 2017, titanium slag and pig iron production is estimated at 50,000t and 20,000t respectively, which is equivalent to approximately 85% of expanded nameplate production capacity.

OUTLOOK

The continuing strong performance at GCO and successful production trajectory at TTI provides a solid foundation for ongoing operational success for TiZir. This performance, combined with improvement in the markets for TiZir's products, provides confidence that the company is on track to meet its financial objectives.

A full overview of 2Q 2017 operations will be provided by MDL on or about 27 July 2017.

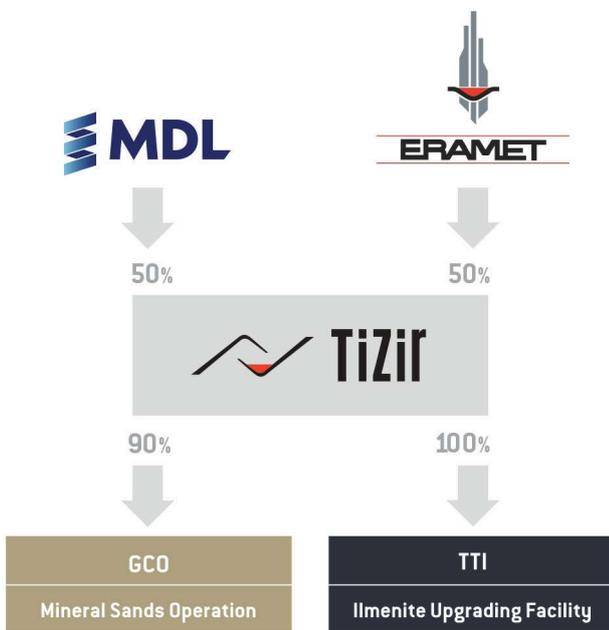
ABOUT MDL

Mineral Deposits Limited (ASX: **MDL**) is an established, ASX-listed, integrated mining company with a 50% equity interest in TiZir Limited (**TiZir**) in partnership with ERAMET of France.

The TiZir joint venture comprises two integrated, operating assets – the Grande Côte mineral sands operation (**GCO**) in Senegal, West Africa and the TiZir Titanium & Iron ilmenite upgrading facility (**TTI**) in Tyssedal, Norway.

GCO is a large-scale, cost competitive mineral sands operation located in Senegal that is fully integrated from mine-to-ship, using owned or controlled infrastructure. GCO commenced mining activities in March 2014 and, over an expected mine life of at least 25 years, will primarily produce high quality zircon and ilmenite. A majority of GCO’s ilmenite is sold to TTI. GCO also produces small amounts of rutile and leucoxene.

TTI upgrades GCO ilmenite to produce high quality titanium feedstocks, primarily sold to pigment producers, and a high-purity pig iron, a valuable co-product, which is sold to ductile iron foundries. TTI benefits from access to cheap and clean power, and excellent logistics, in particular, year-round shipping capacity and customer proximity.



Forward looking statements

Certain information contained in this report, including any information on MDL’s plans or future financial or operating performance and other statements that express management’s expectations or estimates of future performance, constitute forward-looking statements.

Such statements are based on a number of estimates and assumptions that, while considered reasonable by management at the time, are subject to significant business, economic and competitive uncertainties. MDL cautions that such statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of MDL to be materially different from the Company’s estimated future results, performance or achievements expressed or implied by those forward-looking statements. These factors include the inherent risks involved in mining and mineral processing operations, exploration and development of mineral properties, financing risks, changes in economic conditions, changes in the worldwide price of zircon, ilmenite and other key inputs, changes in the regulatory environment and other government actions, changes in mine plans and other factors, such as business and operational risk management, many of which are beyond the control of MDL.

Except as required by applicable regulations or by law, MDL does not undertake any obligation to publicly update, review or release any revisions to any forward-looking statements to reflect new information, future events or circumstances after the date of this report.

Nothing in this report should be construed as either an offer to sell or a solicitation to buy or sell MDL securities.

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